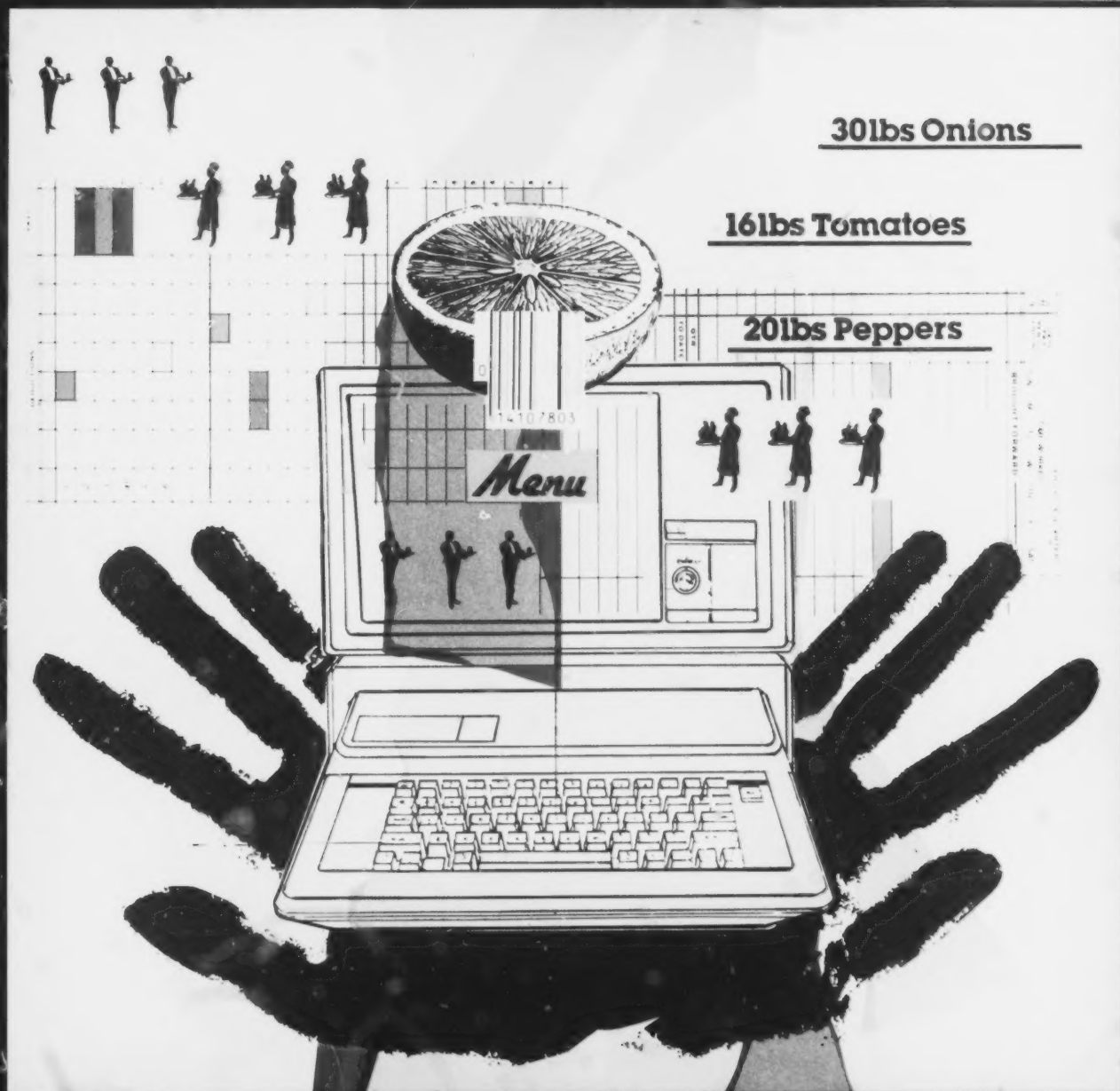


NRA NEWS



CONTROLS

The hands-on system you can't do without



The U.S. Culinary Team—A Walking Advertisement for American Foodservice

1984 means the International Culinary Competition. Held in Frankfurt, Germany, in October, this competition will pit a team of top American chefs against teams from all over the world.

In 1980, the last time this competition was held, the American team won 31 gold and two silver medals. By walking off with top honors, the U.S. team showed the world that American cuisine had come of age.

The team prepares native American recipes using American produce. It concerns itself with nutritional balance and cost. The U.S. Culinary Team is in fact doing R & D for the industry.

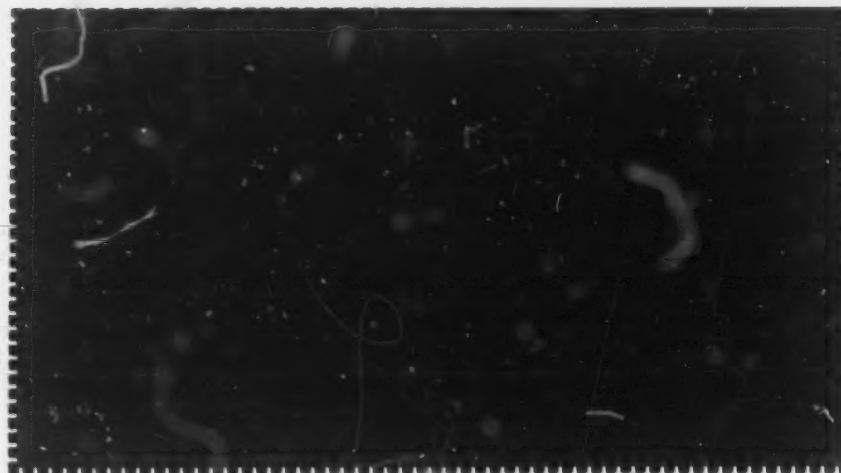
Furthermore, the team is a walking advertisement for American foodservice. It is getting heavy media coverage in this country, and will receive worldwide attention next fall. It is raising the stature of foodservice at home and will advertise America as a vacation destination for people from around the globe.

The U.S. Culinary Team deserves the support of every foodservice operator in America. Please cut out the coupon below and return it with your contribution to our team.

Sincerely,

Walter Conti

Walter Conti
Chairman, U.S. Culinary
Team Foundation



Contributions to the NRA-ACF USCT Foundation are deductible in computing taxes as authorized by law.

NRA NEWS

Vol. 4 No. 1

January 1984

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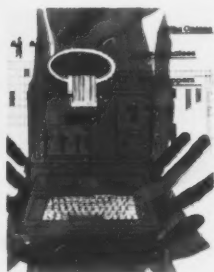
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The beginning of a new year is a good time to take stock of operating procedures. And what could be more important to examine than controls? Controls are more critical today than ever before. Higher costs for labor, supplies, insurance, equipment, maintenance and other expenses, coupled with more cost-conscious restaurant patrons, underscore the need for improved efficiency. That is why in this issue NRA NEWS begins a series of articles designed to pinpoint measures that can tighten operating procedures and boost profits.

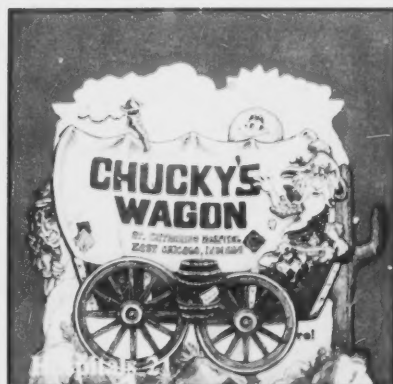
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SHORT ORDER

NRA NEWS survey reports restaurateurs promote their busy periods

When a group of restaurant promoters get together, one of the controversial questions is: "Should a restaurant promote its busy times or the slow times?" Results of an NRA survey indicate most restaurateurs want to promote their busy periods.

In a recent **NRA NEWS** survey, NRA members were asked if they would be interested in subscribing to an NRA table tent series that would provide table tents for promoting holidays, special events and menu items. Respondents, who indicated they would be interested in the service, were also asked for which special events or menu items they would like to use table tent announcements. The most popular days were Valentine's Day and Mother's Day—traditionally two of the highest traffic days in restaurants.

According to the NPD Research, Inc., report commissioned by NRA, more

American families dine out on Mother's Day than any other day of the year—nearly 30 percent. Valentine's Day is also popular among families—20.8 percent eat out on Valentine's Day. When singles are added to the dining out group, Valentine's Day becomes nearly as popular as Mother's Day. Other popular dining out days, according to the NPD report, include St. Patrick's Day, New Year's Eve, Father's Day and Secretary's Day—all which were also singled out by restaurateurs as days for which they would most like to use table tent announcements to promote their activities. In the menu category, table tent announcements were requested most frequently for price specials, menu items, special desserts, daily specials and seafood items.

The purpose of the table tent survey, which appeared in the September 1983 issue of **NRA NEWS**, was to gauge member interest in a table tent series that would aid in-house merchandising programs. Because of the limited response (350), the association will not provide the service at the present time.

Johnson and Wales College dedicates **WANG** computer center

The educational applications of state-of-the-art computer technology were recognized at Johnson & Wales College when it dedicated its new WANG computer center last fall.

The new computer center is the focal point of the col-

lege's degree programs in computer programming and computer systems management. Students in other programs, such as accounting, hotel-restaurant management and marketing, are also required to complete introductory computer studies.

World **Hospitality** **Congress II**

**March 25-28 in
Boston**

Where the hospitality industry is going in a changing world will be the subject of a four-day international meeting, March 25-28 (1984) in Boston, MA. The event, named World Hospitality Congress II, is scheduled for the Westin Hotel. It is being sponsored by the Department of Hotel, Restaurant and Travel Administration at the University of Massachusetts in Amherst. Cooperating are numerous other universities, industry firms, professional organizations and specialists from various areas of the industry.

Robert C. Lewis, professor, Department of Hotel,

Restaurant and Travel Administration at the University of MA and chairman of the Congress, indicates that the hospitality industry, its profitability and its direction will be the focus of discussion in this international forum for industry and allied industry professionals. A sharing of ideas and thoughts about the future directions of the industry will be the central theme of the event.



NRA IN ACTION

NRA focuses on your liquid assets

Plan to attend *Liquid Assets*, NRA's National Conference on Alcoholic Beverage Service, to be held in San Francisco, March 19-22. The subjects will range from management commitment to beverage service to products for the future. For more information, contact NRA's education programs department.

NRA digests employee luncheon break laws

NRA's legal information services department has pre-

pared a federal digest and a state-by-state review of laws regulating employee rest and luncheon breaks. See *The Law* in this issue of **NRA NEWS**.

New NRA publications

Check your mail for a flyer on recently published NRA publications. The flyer is an addendum to your NRA *Catalog of Publications*.

NRA membership directory to accept advertising

NRA allied members will be able to advertise in NRA's 1984-85 membership direc-

Among the scheduled topics are: strategic planning, hotel development, mergers and acquisitions, call accounting systems, consumer and marketing research, meeting planning integration, teleconferencing, key employee motivation, human resources, rooms merchandising, cost/margin analysis, syndicated data bases, restaurant mix, computer systems and quality strategies.

Format at the Congress will include individual presentations in concurrent sessions as well as panel discussions, symposia and workshops.

Copies of the program and registration information can be obtained from Robert C. Lewis, chairman, World Hospitality Congress II, Department of Hotel, Restaurant, and Travel Administration, Flint Laboratory, University of Massachusetts, Amherst, MA 01003. Telephone: (413) 545-2071 or (413) 545-1389.

Market research techniques discussed by NRA study group

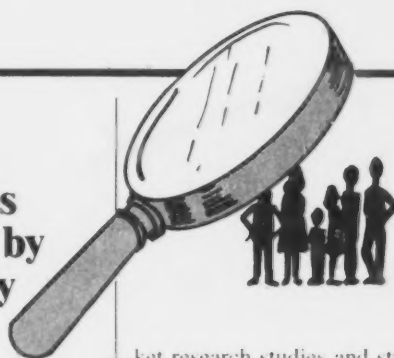
NRA's Market Research Group met last fall in Nashville, TN, to discuss various topics in the market research field. Areas covered included

- a new technique to relate demographic characteristics to spending patterns to estimate the amount consumers are likely to spend on a particular item or service, such as restaurant meals

- how to predict consumer behavior by studying individual responses to different product characteristics

- how to conduct a tracking study

- how to coordinate mar-



ket research studies and strategic planning

- how to develop new advertising strategies based on changing consumer attitudes and behavior. Research can be used to determine when an advertising campaign is becoming repetitious and losing its effectiveness

- how to maximize a consultant's services and
- market research's role in developing a new restaurant concept.

NRA's Market Research Group is a group of NRA members who specialize in market research and who are interested in exchanging information on research techniques and learning about new methodologies. The group meets twice a year—in the spring and in the fall. The next meeting will be held February 29-March 2, 1984 in Orlando, FL. For more information, please contact Bette B. Hoyt at NRA's Washington office, 311 First Street, N.W., Washington, DC 20001.

Kitchen lore at specialty store

The next time you're in New York City you may want to make your way to 1435 Lexington Avenue. That's the location of a new store called Kitchen Arts and Letters. Its steadily increasing inventory includes 2,400 cooking titles, covering all aspects of the world of food—cooking, culinary history, wine and viticulture, growing fruits and vegetables, nutrition, commentaries, restaurant guides, memoirs, even food-related fiction.



In addition, the store stocks original art and photography related to food and cooking, kitchen-related stationery goods and unusual memorabilia, such as antique food and wine labels, early food packaging and advertising, restaurant postcards and crate labels.

The store is run by Nahum Waxman, a specialist in food publishing.

tory—*Who's Who in the Foodservice Industry*. This will be the first year the directory will accept advertising. For more information, contact NRA's membership services department.

NRA to produce "Know Your Limit" table tents

To help NRA members remind their customers to responsibly monitor their own alcoholic beverage consumption, NRA is preparing "Know Your Limit" table tents. Look for more information on the table tents in the mail next month or contact NRA's Communications Department.

NRA seminar package to be offered

The education programs department will offer five NRA seminars in a conference format in Atlantic City, NJ, April 9-10. The conference format is designed for maximum attendance by minimum personnel. The program will focus on new profit and sales opportunities as well as front and back-of-the-house management. A company will be able to send three people to cover all five programs. For more information, contact NRA education programs department or look for information on the program in the mail next month.



Top restaurant spending cities

If you've ever wondered which seven cities reap the highest dining out dollars per capita, here's the answer

from *the Book of American City Rankings*.

Honolulu, HA, heads the list. Each year the sum spent on restaurants and bars comes to \$1,143.77 per person.

Anchorage, AK, is a close second with \$1,095.46.

Falling right behind are San Francisco, CA, \$1,033.38; Seattle, WA, \$997.81; Madison, WI, \$896.18; Boston, MA, \$884.49 and Portland, OR, \$850.57.

WASHINGTON REPORT

Business meal deduction under fire again

Congress is expected to resume work on a tax bill shortly after it reconvenes on Jan. 23. One of the tax proposals that may be considered is a Democratic Study Group (DSG) plan that calls for a one-third reduction in the business meal deduction.

The DSG measure would reduce the current 100 percent deduction for business entertainment expenses to 66 percent. Eliminating one-third of the deduction could raise as much as \$3 billion in new revenue over a three-year period, according to some estimates.

U.S. Senator and presidential candidate Gary Hart (D-CO) has also introduced a bill to reduce the business meal deduction. The bill (S. 2097) would reduce the allowable deduction from 100 percent to 70 percent. Savings to the Treasury would be used to offset budget cuts made in the school lunch program.

According to Hart, if 30 percent of the business meal deduction were disallowed, the Treasury would collect an extra \$1 billion in FY 1984 and another \$1.1 billion in FY 1985. Hart would use this additional revenue to restore the "reduced price meal" in the school lunch program to 20¢ (currently set at 40¢) and restore the reduced price eligibility level to its 1981 threshold (thereby increasing the number of children eligible for the program).



The business meal deduction will once again be an issue when Congress reconvenes this month.

Neither Hart nor the DSG has mentioned the effect of these reductions on the food-service industry. During last year's congressional debate on business meals, NRA estimated that a 50 percent reduction in deductibility would result in the loss of over 100,000 foodservice jobs and a decline in sales that could approach \$3 billion. NRA also estimated that a reduction in taxes paid by restaurateurs, combined with increased unemployment insurance contributions, would cost the federal government up to \$506 million a year.

Although the Hart and DSG proposals have a slim chance of passing, NRA is concerned about them and encourages its members to tell their congressmen and senators that they oppose such reductions.

Final SBA size rules expected

Final Small Business Administration (SBA) size standard rules are nearly completed and may be published soon in the *Federal Register*. The rules would establish new small business size standards, which are used to determine a firm's eligibility for SBA assistance and loans. Under a proposal published in the May 6, 1983, *Federal Register*, the size standard for restaurants would be raised from \$2 million in annual sales to \$3.5 million—an increase of 75 percent.

The last change in the standards occurred in 1975, and SBA said in its proposal that adjustments were needed to reflect the infla-

tion rate over the eight-year period. SBA has apparently abandoned an earlier proposal that would have changed the size standard from one based on annual gross sales to one based on total number of employees in an establishment. Under that proposal, a restaurant with 100 or fewer employees would have been considered "small."

SBA said its latest proposal generated over 1,000 comments as well as testimony from two days of hearings before the House Small Business Committee.

The Office of Management and Budget must sign off on the final rules before they can be published in the *Federal Register*. The final rules will become effective 30 days from their publication date.

Heinz introduces TJTC extension bill

U.S. Sen. John Heinz (R-PA) has introduced a bill (S. 2185) to extend the Targeted Jobs Tax Credit (TJTC) through the end of 1989. Unless Congress acts, the credit will expire at the end of 1984.

The Heinz bill would make no major changes in the TJTC program and has the support of Sens. Pete Domenici (R-NM), Charles Grassley (R-IA), Steven Symms (R-ID), Daniel Moynihan (D-NY), Lawton Chiles (D-FL), David Boren (D-OK), Strom Thurmond (R-SC), Alan Cranston (D-CA), Dennis DeConcini (D-AZ), Daniel Inouye (D-HI), David Durenberger (R-MN), Max Baucus (D-MT), Malcolm Wallop (R-WY) and David Pryor (D-AR). Since nine of the above are members of the Finance Committee, where the bill was referred, chances are good it will get serious consideration this year.

Heinz, a long-time proponent of TJTC, said, "I feel strongly that Congress should again renew this valuable program." TJTC allows an employer a tax credit of 50 percent of a qualified employee's first-year wages and 25 percent of his second-year wages. Qualified employees must be members of one of nine targeted groups and be certified by a state jobs service office prior to employment.

The credit "offers a way out of poverty and joblessness for those who are economically disadvantaged or lacking basic skills," Heinz said. He also said that TJTC "helps lower the deficit. High unemployment among

these groups costs the Treasury money by driving up spending under income security programs."

NRA has long been an advocate of the program and worked for its extension in 1979, 1981 and 1982.

NRA trying to clarify investment tax credit

NRA is trying to correct discrepancies in the Internal Revenue Service's (IRS) application of the Investment Tax Credit (ITC). Many foodservice tax specialists have found that while certain items are eligible for the credit in one area of the country, they are not eligible in another. This has led to lengthy audit and appeal procedures, often resolved by a numerical agreement that does not help in clarifying the law with respect to individual items.

The ITC was established by Congress in 1962. It allows an employer a tax credit of 10 percent of the cost of a qualified item. The credit may be taken for equipment and other property used to operate a business, but it is not allowed for buildings or structural components of buildings. IRS rulings as well as court cases have attempted to better define which items of property are eligible for the credit, but there is still confusion regarding some items which can be construed as tangible personal property but are treated as part of a building by IRS.

An example of this is a chandelier, which is often contested by IRS. In those cases where a chandelier provides the only lighting in the foyer of a restaurant or hotel, the chandelier is considered a structural compo-

nent of the building because it relates to the operation and maintenance of the building regardless of the use of the building.

However, some chandeliers are merely decorative and possibly provide minimal lighting in a dining room or meeting room which has other light sources. In this case, NRA believes that the chandelier serves a function in the operation of the business and is eligible for the credit.

The courts have established various tests to determine the character of property, but they are not uniformly applied by IRS field agents. NRA's goal is to clarify the many property categories, alleviate the tremendous accounting problems that exist and provide for the proper use of the credit as Congress intended.

NRA and other business representatives have met with IRS to discuss this problem. IRS and the industry group agreed that it would be helpful to canvas industry members and develop a list of items which are frequently disputed under the ITC provisions of the tax code. This list would then be used as the basis for proposed IRS rule changes to clear up confusion in this area of the law.

If you have had problems in taking the ITC, NRA would like to know which items IRS has contested. Contact Laura Van Etten, Government Relations Department, 311 First Street, N.W., Washington, DC 20001 (800-424-5156).

IRS publishes tip reporting explanation

The Internal Revenue Service (IRS) has published an explanation of the new tip reporting law for the benefit of employees, and it is now available from state

IRS distribution centers.

"Information on Tip Reporting and Allocation," Publication 1215 (10-83), summarizes the new regulations, explains how the IRS allocation formula works, provides a question and answer section on the new law and includes a full-page notice to employees that can be put on a bulletin board.

Call your district IRS office to find out how to obtain a copy.

House to consider immigration bill

The immigration reform bill (H.R. 1510) that House Speaker Thomas (Tip) O'Neill (D-MA) blocked last year will be taken up early this year, reflecting a change in O'Neill's position on the legislation.

Last fall, O'Neill kept the bill bottled up in the Rules Committee because of concern over Hispanic opposition. The bill easily passed the Senate last May and had been moving slowly but surely through the House. It was reported from the Judiciary Committee and needed only Rules Committee approval to get to the House floor.

Hispanics feared that the bill, which calls for stiff sanctions against employers who "knowingly" hire an illegal alien, would lead to discrimination against foreign-born citizens. O'Neill is now said to believe that a compromise can be reached between the bill's supporters and the Hispanic groups.

NRA and other business groups have supported an amendment by Rep. Thomas Kindness (R-OH) that would make many of the proposed recordkeeping requirements optional.

—Jay Morris



The most critical factor in determining the success of a foodservice operation is control. Computers bring discipline to procedures. Generally speaking, computers can help an operator stay in control of two major activities: those that are service oriented and those that are management oriented. Although these two activities often overlap, for the purpose of discussion, transactions pertaining to the life of a guest check will be considered service-oriented activities while the allocation and implementation of a restaurant's resources will be grouped as management-oriented.

Computers bring discipline to procedures. They can be programmed to force users to follow a predesignated series of steps. For example, when opening a guest check, a system might require entry of the check's serial number. The hurried server who tries to skip over this step will find it impossible. The system will require a response before it will allow the server to continue the transaction.

Generally speaking, computers can help an operator stay in control of two major activities: those that are service oriented and those that are management oriented. Although these two activities often overlap, for the purpose of discussion, transactions pertaining to the life of a guest check will be considered service-oriented activities while the allocation and implementation of a restaurant's resources will be grouped as management-oriented.

Service-oriented control techniques . . .

Service-oriented controls encompass food preparation, production, service and settlement. The computer can provide an operator with significant controls in production authorization (prechecking), guest check usage (check tracking), menu items sales (menu mix) and revenues (settlement).

Prechecking

Prechecking systems are one of the most popular service-oriented control techniques. With an automated precheck system, gains in controls can be experienced at both the production and service levels of operations. The concept of prechecking requires that a printed requisition be sent to the preparation area (kitchen) prior to the production and dispensing of any food item (service). The presence of a written record establishes authorization in the preparation area and accountability in the service area. In other words, unless a server has proof that an item was entered into the precheck mechanism, that item may not be taken from the kitchen.

Also present in the system is a journal printer that records all transactions entered anywhere in the system. This provides management with a sound internal feedback mechanism. An electronic cash register terminal with order capabilities and connected to remote workstation printers adds to the efficiency of the system. Servers remain at their service stations while orders are electronically transmitted to the kitchen. The employment of an expediter, to carry ready-to-serve orders into the dining room, further enables a streamlining of the service function.

Check tracking

As a complement to prechecking, which communicates service orders to the production area, check tracking enables both servers and management to monitor open guest checks within the system. There are software application packages available that can report the serial number, time of creation, server code, account balance and table number for every open

check in the system. This capability has been credited with a reduction in walkouts/skippers and with providing rapid feedback on service times and patterns. It also has cut down on the number of missing or unaccountable checks. At any point in time, an open check report can be printed to highlight those checks which have been open too long (potential walkout) and/or those checks that have a very large outstanding balance (high risk accounts).

The system makes it possible to post both food and beverage transactions to an outstanding guest check from any one of several remote order entry points, thus assuring one check per guest. In other words, the server need not return to the same register device to post items to an existing guest check. Any device in the system will support this effort. A guest, for example, waiting for a table may order a drink in the lounge. The server establishes an account for this guest by initiating a new check. This same check could later be used to trace additional purchases made in the dining room.

The final preparation of a guest check leads to settlement (closed checks). The closing of previously open accounts terminate the accessing to those accounts and requires a reconciliation and settlement. A closed check report can be extremely important in monitoring employee check accountability and evaluating server productivity (number of tables served). The entire area of check tracking is an important one and requires constant review by management to remain a strong control technique.

Menu mix

An automated system can also track sales of each menu item. Sales can be segmented by day, by meal period, by hour, by server and by food groupings, providing management with invaluable information for control, analysis and planning purposes. Most systems are also capable of computing the percentage of sales each item contributes to the total. This data provides insight into sales indices (peaks and valleys) and turnover factors.

From a service-oriented perspective the menu mix is a critical component of the overall business plan. Knowing what has been sold (sales) provides the basis for determining how many dollars were generated (revenues). Revenue analysis, like menu mix analysis, can be performed in various frameworks—along different time lines and across several food groupings. The feedback provided by revenue analysis is essential to generating eventual financial statistics and statements elsewhere in an integrated system.

Settlement

Computerized terminals ensure proper addition of accurately priced items, application of tax and gratuity and correct guest check totals and guest methods of payment. Most sophisticated electronic cash registers (ECR) contain several settlement keys that distinguish between cash, credit cards, house accounts and other methods of deferred payments. The use of on-line credit card authorization terminals, which automatically read and verify the validity of a card and its credit limit, enhances the foodservice operator's ability to collect receivables in a timely manner.

Discounts, coupons, employee meals, specials and the like also can be tracked.

Management-oriented control techniques . . .

The area of management-oriented controls is quite expansive, incorporating inventory control, payroll, general ledger accounting, pre- and post-costing as well as menu

engineering. Although there are additional application areas and many variations of applications within each area, here is a representative review.

Inventory control

Since food costs average 40 percent of each foodservice dollar, an effective inventory control process is essential so only the most necessary dollars are tied up in inventory. However, correctly equating purchases to production is a mathematical relationship not easily defined or achieved operationally. There will always be variables that deserve attention in an inventory model, such as stock that does not correlate well with its recipe, waste, spoilage and even pilferage. Because automated systems tend to track sales and then reflect those transactions on goods in inventory, they represent a perpetual (running balance) inventory. In other words, they represent what the inventory *should* be based on what has been sold. To check actual stock on hand, a physical inventory should be taken on a regular basis. Discrepancies between these two balances must be reconciled to determine the causes of the differences.

Despite its importance, inventory modeling is the least uniform computer application area. Although most managers control their inventory on an issue unit basis, some systems focus on purchase units only, while other systems use recipe units. Certain assumptions of unit associations are inherent in many foodservice systems, and the user should be familiar with these designs. Without a knowledge of these principles, the transition from ingredients purchased to menu items sold is only a rough approximation at best.

The inventory dilemma gets even more complex when discussed from a computer processing viewpoint. Cash register systems typically handle inventory by recipe or count units, and this practice requires the restaurant to reorient itself to these units. All standardized recipes may need to be converted to reflect a recipe unit, rather than simply a weight or other common description. This change creates an awkward situation for production personnel and cumbersome procedures for data input. The obvious reason for initiating these changes is to facilitate perpetual inventory computation, but many operators refuse to make the necessary procedural changes because it forces them to fit their business to the computer rather than the reverse.

Payroll

Another major area of concern is the payroll department. Because the foodservice industry is highly labor intensive, control over the payroll function is critical. Not only is the labor intensity of the industry an important factor, but coupled with the high degree of employee turnover and strict government regulations, this area also is one of the most logical for automation. In the course of one day, an employee may work as a host for one hour, a chef's assistant for two hours, a dishwasher for one hour and a bartender for three hours. Assuming each job is associated with a different pay scale and that many employees work on a swing shift, the payroll clerk can have a cumbersome task of manually calculating the proper wages, deductions and tip credits. An

automated system can greatly simplify the process. Because payroll accounting is one area that has been given a large amount of attention in recent years and will continue to be actively pursued by system specialists, there are several software packages available.

Cash register systems can be equipped with sign-in and sign-out keys that allow employees to log hours through the register. Sophisticated time clock-based systems are beginning to emerge that compile comprehensive payroll summary reports. Not only can such a system retain data from the current period, but it also can store work histories and other information and compare trackings with historical periods.

Payroll systems can also be interfaced to a line printer capable of printing and signing (signature stamping) payroll checks. System-produced checks are not a new idea, but producing them in-house is. Formerly, restaurateurs might have contracted with service bureaus for payroll determination and recordkeeping as well as check printing. These no longer have to be off-the-premises procedures. Additional features of a payroll system that make it especially attractive to the foodservice area include its ability to handle employee meals and departmental reports, to correlate sales and labor expenditures, to schedule employee hours, and to keep overtime/sick pay records.

General ledger accounting

General ledger accounting usually spans such broad areas as accounts receivable, accounts payable, budgeting, bank reconciliation and check audit reporting. The accounting component of the foodservice package closely resembles its counterpart in other industries. Major similarities exist in the accounts receivable and payable sector, since invoices need to be processed, errors detected, vendor transactions recorded and receivables aged. Although most foodservice operators may not operate according to their projected budgetary

10 common computer misconceptions

- | | |
|---|---|
| 1. Buy hardware first, software second
(Make sure you find the software capabilities you need first, and then find the appropriate hardware.) | 3. Energy backup systems are the most critical
(Informational backup is more important.) |
| 2. All computer systems have the same capabilities
(The operating systems and software differ greatly from system to system.) | 4. Accounting personnel make the best system managers
(What managers need are human relations skills and creativity.) |

Source: National Restaurant Association survey of 1,000 diners.

expenditures, automated systems are exceptionally adept at generating dynamic (multiple sales level) budgets. Some systems might even provide a program that allows management to simulate a business cycle and subsequently generate an associated budget. In some systems, the accounting module is constructed according to the Uniform System of Accounts for Restaurants. This strong feature forces operators to adhere to a standardized chart of accounts and yields statistics that can be evaluated across the foodservice industry. Expense disbursements also can be monitored through the general ledger package. The ability to settle invoices in a manner consistent with managerial policies (taking payment discount terms) and to audit the check-writing function are important control features found in an accounting module.

Pre/postcosting

Precosting is a technique to determine potential food costs prior to the actual procurement, production and service of a meal. A precosting system enables management to review, revise and/or abandon a menu plan based upon an evaluation of its ability to meet budgetary constraints. A system's capacity to produce valuable precast information is predicated on three types of data: cost figures, recipes and the menu plan. An accurate cost for every food item (ingredient) purchased must be identified and carried at current cost. Inaccurate historical costs will produce erroneous financial information that will flaw the decision-making process.

The second important data component is a set of recipes. Every menu item served is assumed to be prepared from a tested and well-documented standard recipe. A standard recipe, containing a list of required ingredients and their quantities, generates a predetermined batch yield and portion size for each menu item. This element is critical to the precast scheme.

5. Most vendors support both hardware and software

(This is not true, especially for original equipment manufacturers [OEMs].)

6. Computers can do everything

(Computers can only do the things they are programmed to do.)

7. Computers control system usage

(Computers don't question legitimacy or false authority. They don't care who is asking as long as the person understands the code.)

8. Computers experience large amounts of downtime

(Actually, the average uptime is better than 99.5 percent.)

9. Redundant memory is expanded memory

(Duplication is not expansion. If a piece of data appears in one memory, it also appears in the other.)

10. Industry software packages all work

(This is not true. Be sure to fit the computer to your business, not the other way around.)

The third data requirement involves the menu plan. Each menu item must be identified with a projected number of portions that will be sold. Even with a fixed or cyclical menu, portion projections are likely to be different at different times. Changes in the season, economy and other variables will all affect estimates.

The application of precosting in foodservice is not new. What is new is the ease, speed and accuracy by which the analysis can be conducted with the help of computers. Recently, the first telecommunication link between a food purveyor and its customers was tested and implemented. The purpose of the link was twofold: 1) to provide up-to-date costs for all ingredients over telephone lines from the purveyor's file to the customer's on-line data file and 2) to serve as a planning tool for the foodservice operator in developing and dispatching purchase orders back to the purveyor.

Postcosting completes the total cost control cycle by providing feedback of potential food costs, given actual counts of menu items consumed. By replacing the projected number of portions associated with each menu item in the precast with each actual sales data, insight into efficiency of forecasting, purchasing, production and service can be studied. Postcosting, because it also works with standard recipe units and, hence, standard costs, is not the only comparison which should be made against the precast benchmark. The actual counts and costs for a given meal period should be matched to the postcost (potential cost with actual counts) and precast (potential cost with projected counts) to provide a more meaningful cost control evaluation.

Menu engineering

The development of a computerized tool capable of evaluating the strength of a menu is a relatively recent phenomenon. This control technique, referred to as "menu engineering," is primarily concerned with the number of each menu item sold and the contribution margin gained from those sales. This model begins with the premise that food costing is basically an after service control technique that pinpoints inefficiencies in storage, preparation, production and service. To develop a stronger internal control mechanism, foodservice operators are turning to a sophisticated gross profit theory capable of analyzing pricing, marketing and elasticity of demand for menu items.

Perhaps more important than any other control aspect of the restaurant is the determination of a price that is aimed at covering costs and realizing a profit. It is this type of control that menu engineering primarily focuses on. Menu engineering is typically applied to a menu following its service. Likewise, it works just as well with estimated demands and/or hypothetical menu plans.

Computers are a management tool that can enhance controls. It is the computer's ability to apply discipline to procedures that gives it an edge over alternate methods in both service-oriented and management-oriented areas of foodservice management.

7 WAYS TO UPGRADE YOUR

FOOD COST CONTROL



by Stephen G. Miller

President, Miller Resource Group

Controlling food cost continues to be a major problem facing restaurant owners and managers. The ability to control the purchase, production and sale of food items often determines the survival of the company, not to mention its success and profitability.

While critical in the past, controls are even more important today. Today a restaurant faces even more pressure from other cost areas, such as utilities, supplies, repairs, maintenance, taxation, insurance, labor and related payroll taxes.

The consumer does not understand these increasing costs and is reluctant to accept higher prices to offset these increases. Consequently, a restaurateur cannot easily pass the higher costs along and needs to increase controls and improve efficiency to make a profit.

Cost control approaches...

Here are some key areas to keep in mind.

1. Record all sales. Although this may seem unrelated to controlling food costs, think about the effect unrecorded sales have on your food costs.

For example, if a restaurant has sales of \$20,000 per week and operates at 38 percent food cost, the restaurant will spend \$7,600 for food each week. If 10 percent of these sales are not recorded for whatever reason, the food cost percentage will climb from 38 percent to 42.2 percent—a big increase.

\$ 7,600 cost of food sold

\$20,000 sales = 38 percent food cost

\$ 7,600 cost of food sold

\$18,000 sales (\$20,000 sales — \$2,000 unrecorded sale) = 42.2 percent food cost

The basic procedure is to record all sales either on a guest check (best method) or a cash register tape. Ideally, each day's food production will be compared to actual sales, and any variances will be reconciled.

Happily, there are a variety of electronic cash registers that will assist you with the onerous clerical work required. Many can lay a sales audit trail, pinpoint missing checks and accumulate sales totals by item to compare with production totals.

However, if the system is to work, it will require discipline. All food sales must be rung up, and no food

should leave the kitchen without a register record slip. The people most likely to violate this principle are operators and managers. If you violate the system, sooner or later so will your employees, and the capital investment for the equipment will be wasted.

2. Institute accurate receiving procedures. Make sure you get what you pay for. If you do not receive the quality merchandise you pay for, you are beaten before you start. Accurate receiving seems straightforward because there is so much common sense involved, but the system often breaks down because of a lack of management commitment. Make sure you

- compare weights received to weights on the invoice
- compare the number of items received to the invoiced number
- compare sizes and physical characteristics with those stated on invoices
- compare quality received with quality specified
- compare purchase price with invoice price
- check all mathematical computations for accuracy and
- make sure all corrections, damaged goods and wrong items are credited and that the credit information clears both your accounting department and the supplier's accounting department.

3. Be sure the salad bar or buffet is profitable. Many restaurateurs feature a salad bar or buffet because of its customer appeal. All too often, however, they pay little, if any, attention to profit considerations and, consequently, food cost problems arise.

The first step to staying in control of salad bar expenses is to make sure you know how much you are spending. To determine the food cost of a salad bar or buffet choose a moderately slow day. Record and cost out all items used to set up and replenish the salad bar. After service is completed, record and cost out any products that are leftover in prime condition—giving a maximum credit of 50 percent of the original value. Subtract the returned merchandise value from the original issue and replenishment costs. This will result in the total cost of the salad bar or buffet.

Next, divide the cost of the buffet or salad bar by the number of customers served. The resulting figure will give the cost per customer. Compare the cost to the revenue produced.

and determine if your profit levels are appropriate.

If your profitability is correct, congratulations! If not, here are some possible changes you can implement:

- revise pricing
- change ingredients offered
- change china sizes
- change ingredients' portion, size or composition
- change ingredients' location
- change ordering procedures, making them tableside rather than self-service
- change amount of product displayed and/or
- change serving utensils.

These changes do not necessarily mean cutting back on your food quality. Instead, the emphasis is put on reducing waste and offering more colorful, tasty, low-cost items.

4. Anticipate market and other irregularities. Lobster tails, fried chicken pieces, steaks, orders of prime rib and many of the other traditional entrees are fairly easy to control by the portion. They can be held fresh or frozen until needed. As restaurateurs offer more complex menu items prepared on site, however, they must pay more attention to forecasting. Weather conditions, seasonal variations in product availability and other factors all affect food cost levels.

For example, the marketplace may not be able to provide uniform ingredients (size, weight, shape, chemical composition, other physical properties) for certain perishable items. Often nature is not too cooperative either. Seafood and fresh produce may vary considerably from shipment to shipment, and different brands can yield very different results.

You must plan for problems when designing menus, developing recipes and establishing prices, so you can protect yourself from an unfortunate financial surprise. Such production control efforts will pay off in consistent quality and improved staff morale. When the managers, chefs and other supervisors believe the cost evaluation system reflects the areas they can control, they will be more willing to invest their time, energy and creativity into these systems. When they believe luck is the criteria for success, then they will operate the system without investing of themselves.

5. Food estimations should reflect current prices.

Restaurateurs use estimations of cost that are based on prices that are years old, perhaps going back to when they opened the business. This can cause serious problems in controlling food costs. Restaurateurs should know current costs for each menu item by staying up to date with each ingredient cost change. This is time well spent.

Be particularly careful if you use a single ingredient in a variety of forms as, for example, ground beef in hamburger, meat loaf, spaghetti sauce, lasagna and Swedish meatballs. Many operators develop financial trouble by not charging full cost to one or more uses of a versatile ingredient.

Many operators lack the staff, time, energy and interest to advise menu costs frequently, so they estimate the cost of minor ingredients. In addition, operators often estimate yields on consumption per customer for a variety of products to arrive at a fair price for their menu item. This is frequently done for butter, salad dressing, pancake syrup, crackers, bread and many other items.

One quick way to check your estimations is to track your consumption of salad dressing for a week. Take a salad dressing inventory at the beginning of the week (use ounces or gallons or dollar price). Add any shipments you receive or dressing you manufacture during the week. At the end of the week, subtract the dressing remaining. Divide this by the number of salads served or perhaps your guest count. The resulting figure will be your salad dressing consumption per customer.

The actual consumption may be quite different from your previous estimations. Use the current, more realistic estimates and repeat the process periodically. If the difference is significantly greater, revise your operating systems.

Too often restaurateurs discount products and end up losing money. Leftovers are one example. There is no reason why barbecue beef from leftover roast beef, creamed chicken from leftover banquet service chicken, and soups made from a wide range of ingredients should not command a fair market price. If you are regularly overproducing, forecast more accurately to reduce production levels. Try to design menu items that utilize leftovers and consider using quality leftovers in the bar for happy hour. Often the value can be significant, particularly

for a successful, high volume happy hour operation.

6. Beware of the hidden ingredient cost. In most restaurants there are some ingredients that are used frequently, represent considerable dollar expenditures and are generally ignored by chefs, managers and owners. These ingredients can generate serious food cost problems. Typical examples of problem products include deep frying shortening, salad oil, sour cream, breading, crackers and cooking butter, but they will vary depending on your menu and production methods.

As a quick rule of thumb, keep track of any ingredient that represents more than three-tenths of one percent of the cost of food sold if it is not directly related to a single entree, appetizer, dessert or beverage selection. For a \$1,000,000 sales operation with a 40 percent food cost, for example, this would include any ingredient that cost you \$1,200 or more a year.

When you identify these hidden cost items on your menu, review how they are handled by your purchasing, receiving, production and service personnel. Are these items being used judiciously—in proper proportions and in the right dishes?

These items are deceptive because their unit cost is generally low. Yet the amount times the large number of portions creates an expense problem.

Butter used in cooking is likely to be a hidden cost product. It is fairly expensive, yet cooks use it so often they take it for granted.

Crackers are another hidden cost item. The unit cost is low, and consumption would appear to relate to soup and salad sales. Actual consumption is more likely to be several times the projected consumption due to extra service, breakage and employee snacking.

7. Beware of administrative cost adjustments. Discounts, promotions, transfers, errors, walkouts and trade-outs all add to the food cost percentage. Are you holding your production people responsible for these costs? Their morale will improve and their commitment to your business will increase if you monitor and adjust for these costs.

In sum...

These seven areas are often overlooked in the campaign to control food costs. Perhaps one of them will help you solve a problem.

14 WAYS TO STAY IN
CONTROL OF YOUR

BEVERAGE OPERATION

by Mike Parise



W

hat would you do if the cost of your well vodka went up six dollars a case?

You'd probably be fuming, and change purveyors if you could. But that's not the only way you could be paying more than you should for your beverages. Drinks can be overpoured, given away or otherwise wasted. Here are some controls you should keep in mind to make sure you are getting the most profit from your beverage operation.

1

Portion control. If you are estimating what your liquor costs should be based on past performance, industry averages or your neighbors' costs, you may be losing an opportunity to increase profits. Your potential liquor cost is based on recipes and portions. (See sidebar for how to determine liquor cost potential.) There are recipes for every drink made, and there are as many variances to these recipes as there are bartenders. So, just as with your food, you should have standardized recipes for

all your drinks, from a Bourbon Neat to a Long Island Tea.

Because all bar recipes require portions, the first step in controlling your beverage cost is to control those portions. Portion control methods range from free-pour to computer-pour. The choice is yours. Free pour, pouring directly into the glass without the use of any portioning devices, is the most difficult way to control your portions. One of the least expensive control methods that works is to measure drinks with a shot glass. When used

without trail, drag, splash and so forth, shot glass pouring is well-accepted by guests and slows service only slightly from free-pour.

Next come a range of gadgets and computerized devices. The important questions to ask when considering these methods of portion control are: "Does it slow down service?" "Is it reliable?" "Is it cost-effective?" "Will my guests and employees accept it?" "Does it offer the dispensing capability my operation requires?" "Does it give me the control I'm looking for?"

One portion-control device that is misused more often than most is the beer glass for draft beer. (Rig the beer drain so it runs into a gallon milk container, one night and you will see!) To avoid problems, make sure you have proper temperature, proper pressure and properly trained bartenders. Your salesman should help you with these techniques.

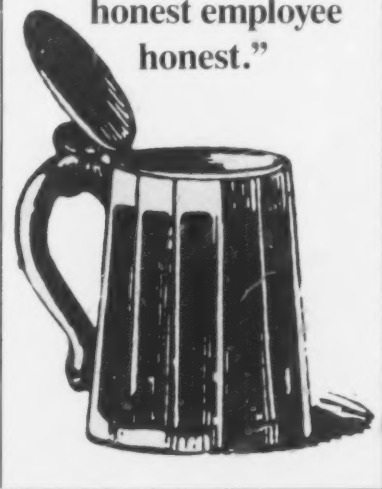
2 Receiving and storeroom control. Just as with food, all the liquor should be checked in at the back door against the purchase order, then against the invoice to ensure no shortages, no overages, no damages, no incorrect prices and so forth. (Don't forget to get credit for your empty beer barrels!) The order should then be immediately locked into storage. Do not allow any delivery people into your storeroom to put the deliveries away. It's a favor you can do without.

All deliveries should be logged into a perpetual inventory notebook as soon as they go into storage. A perpetual inventory notebook is updated daily, not on a weekly or occasional basis.

Any product that goes into or out of the storeroom—without exception—should be accounted for on this form. When taking cost inventories, make sure they match up to the notebook. If they don't, then someone is availing himself of your liquor supply.

Only the managers should have access to the liquor storeroom. Keys to the storeroom should never be given to anyone else. Hectic times often tempt the busy manager to toss the keys to the bartender, barback or busboy. If sufficient stocks are kept at the bars, will lessen the need for mid-shift excursions to the storeroom.

"The purpose of controls is to keep the honest employee honest."



3 Requisitions. A requisition is the tool used to control the stock as it goes out of the storeroom and into the bar. Absolutely no issues should be made from the storeroom without a requisition. At the end of the shift the bartender should place all the empty liquor bottles on the bar. A requisition form should be filled out replacing full bottles for empty ones on a one-to-one basis. This form should be used for all the stock at the bar.

The requisition should be signed by the bartender and the manager. The manager of the next shift checks the empties against the requisition, signs the requisition, then fills the order. In filling the order the stock being issued from storage is accounted for in the perpetual inventory notebook and checked against the requisition. The bartender receiving the issued liquor checks it against the requisition and signs it. The requisition then goes to the office.

If there are pars (the number of bottles of each brand stocked or your build-to amount) maintained at the bars and storeroom, empties are replaced on a one-to-one basis, the inventory is maintained and the requisitions match up, then you have inventory control.

4 Guest check control. Good check control starts with the receiving of guest checks at the back door. As usual, guest checks should be placed immediately under lock and key. Once received, their numbers should be logged in a check issue log or notebook. No checks should be issued to employees without their being signed for. As the used and unused checks are turned in, they should be compared with the check issue log to make sure that all checks issued are returned and none are missing. If any are missing, the responsible employee should be disciplined (it is illegal to make them pay) with a written, documented reprimand.

Requiring the bartenders to work off the checks (just like the cooks) rather than allowing the servers to call their order will help ensure that the orders are recorded on the checks (silent bar system).

5 Proper cashier practices. Proper service/cashier practices for bartenders should be standardized and followed. When the bartender takes the order, he or she should repeat the order back to the guest. Jack Miller, chairman of the Hotel-Restaurant Department at St. Louis Community College, St. Louis, MO, tells a good story about how "you'll save a lot of wood if you measure each piece twice before you cut it." In other words, a great many mistake drinks can be eliminated if the server first makes sure that he understands exactly what the guest ordered. The drink is then mixed, served and immediately recorded on a check.

If the guest is paying right away and a check is not being used, the sale must be rung immediately, and a receipt or "chit" must be torn and given to the guest. When collecting from the guest who has a check, the bartender must record the amount paid immediately on the check and give the stub to the guest. The used check should then go into a "lockbox" (a locking, slotted box) to prevent its re-use. The bartenders should collect from only one check at a time. They should never be allowed to work out of open cash register drawers. The cash drawer should open only when paying checks and when making change for guests.

When making drinks for service personnel, no drinks should be prepared

How to determine liquor cost potential

This procedure will let you determine the difference between what your liquor costs should be and what they actually are.

Step 1

Determine usage cost by item (brand):

$\text{units used (bottles)} \times \text{unit cost (cost per bottle)} = \text{usage cost}$

Step 2

Determine potential revenue by item (brand):

$\text{units used} \times \text{bottle size (ounces)} \div \text{portion (shot) size} =$
 $\text{usable drinks} \times \text{drink selling price} = \text{potential revenue}$

Step 3

Add the potential revenue for all items

Step 4

Add the usage costs for all items

Step 5

Divide the total usage costs by the total potential revenue

$\frac{\text{total usage costs (cost of goods sold)}}{\text{total potential revenue}} \times 100 = \text{potential liquor cost percent}$

To take into account the fluctuations of brand movements and changing sales mixes, this procedure should be done about once every three months.

unless they have been recorded on the check (pre-check) or the bartender has rung them up. When that round has been made the check should be "red-lined"—a line drawn with a red crayon or marker under that order on the check—indicating that the round has been served. This way it cannot be remade.

6

Only buy what you sell.

One request a month does not justify stocking a brand. Brian Rea, director of On Premise Institute, Burbank, CA, recommends 15 to 18 calls a month before adding another brand to your inventory. You don't want to tie up cash in non-working inventory. Also, the larger the inventory, the harder it is to control. Some products spoil with age (cream liqueurs, for example) and some can attract fruit flies. Finally, do you really want to count all those bottles every month?

7

Waste.

Make sure the bartenders are draining the bottles completely. To check, just drain one night's breakage into a highball glass at the end of the shift. Display your new "specialty cocktail" to the bartenders to emphasize your point. If two or three ounces doesn't seem like much to them, multiply it by 365 days a year, and it will make an impression.

8

Closing procedures.

Would you leave cash unsecured overnight? Liquor is like

cash. All liquor should be locked up at closing. If not, then there should not be a cleaning crew at night, and no one should be on the premises without a manager present. Beer lines should be disconnected as well.

9

Guest check audits.

Guest checks should be audited on a regular basis for correct pricing, erasures, cross-outs (which should always be approved and initialed by managers) and so forth.

10

Mid-shift audits.

Unannounced mid-shift spot audits should be done on an "irregular" basis. This is where the manager pulls the bartender's cash drawer mid-shift, does a reading and checks to see if the bartender is over or short. The manager's worst fears are confirmed if the bartender is over because that means that there are unrecorded sales in the cash drawer. Bartenders' tips should never go anywhere but in a tip jar kept behind the bar and away from the cash register.

11

Mistakes and comps.

As NRA Director Mike Hurst, president, 15th St. Fisheries Restaurant, Ft. Lauderdale, FL, says, "Everything that comes in the back door must go out the front door" and be accounted for. All mistake drinks and comps should be accounted for on separate checks and be approved by management. If someone pours an extra scotch on-the-

rocks, it should never be strained and saved for sale. You'd be serving a lower quality product, and it would look bad to the guests seated at the bar. Besides, you wouldn't want to be collecting drinks under the bar that the bartenders could be using for "profit sharing."

12

Shopping services.

Strongly consider using a shopping service periodically. These are professionals who sit in your operation, order cocktails and observe your staff for proper working procedures. Their reports are very detailed, and the knowledge of their possible presence is enough to keep most employees honest.

13

Train, test, train and test, then train and test again.

Training is not something you do just to fill a space on the schedule. An improperly trained bartender, cocktail server or food server is a liability. The only way you can know if your staff is properly trained (know the prices, recipes, cashier practices and so forth) is to test them regularly, formally and informally—both in writing and speaking. Complete job knowledge should not be the difference between an average employee and a good one. It should be a condition of employment—just like showing up for assigned shifts or wearing the proper uniform.

14

Supervision.

There is no substitute for good management supervision. Effective managers must work the lounge, jump behind the bar, watch the bartender and check the registers for no sale rings. They should be asking themselves, "Was the sale rung on the register?" "Did the ring correspond to the number of drinks made and served?" "Was the check or receipt placed in front of the guest immediately?" "Is the bartender working out of an open drawer?" "Are the paid checks going directly into the lock-box?" "Are the leftover stubs being removed from the bar?" "Is the bartender ringing service checks or red-lining them?" "Is the bartender using the shot glass properly?"

Of course, no system or control is totally unbeatable. Your best control is a well-trained, honest employee. The purpose of controls is to make the operation run more efficiently and to remove temptation—in short, to keep the honest employee honest. □

Changes to *1983-1984 NRA directory, Who's Who in the Restaurant Industry

*(Changes are starred)

ARIZONA

Phoenix

Hyatt Regency Phoenix
Charles Andrew*
122 N. 2nd St.
Phoenix, AZ 85004

Tucson

Mountain Oyster Club
Irv C. Benjamin
283 N. Stone
Tucson, AZ 85701
(602) 623-3417*

FLORIDA

Tampa

Frisch's Restaurants, Inc.
Bill Jones
6944 N. 56th St.
Tampa, FL 33617
(813) 985-5522*

IDAHO

Idaho Falls

Westbank Coffee Shop, Inc.*
Willard R. Wood*
475 River Parkway*
Idaho Falls, ID 83401*
(208) 523-2310

ILLINOIS

Edwardsville

Southern Illinois University
G. William Crabb
Martha Jones
Pat Barinotti
Ernest L. Davis*
Campus Box 170*
Edwardsville, IL 62026
(618) 692-3040

KENTUCKY

Covington

Quality Inn Riverview*
Pete Jordan
666 5th St.
Covington, KY 41011

Florence

Prime 'N Wine*
Jim Hardesty*
7844 Mall Rd.*
Florence, KY 41042*

Louisville

Frisch's Restaurant*
Keith Kadesch
4800 Shelbyville Rd.
Louisville, KY 40207
(502) 897-9818

NORTH CAROLINA

NEW YORK

Liverpool

Toninos Trattoria
7240 Oswego Rd.
Liverpool, NY 13088
(315) 457-4460*

OHIO

Cincinnati

Frisch's Restaurant Incorporated
Jack C. Maier*
2800 Gilbert Ave.
Cincinnati, OH 45206
(513) 961-2660
Louis J. Ullman
(513) 559-5208
Donald Koehler
Marvin G. Fields
Robert Mallon
T. Zoeller
Jim Conover
Gerald Flickinger
Jerry Sweeney
Wanda Kilmer
Will Anderson
Ernest Blackwelder
Richard Miller
Craig Maier
Carl Goodin
Clifford Fischer
Gerald Wiseman
Karen Maier
Robert Stark
Eleanor Cohen
Donald Jansen
Heinrich A. Giese
Melanie Shafer
Lois Lockhart
Sue Zoeller
Steve Mullinger
Donald Walker
Sal Wertheim
2800 Gilbert Ave.
Cincinnati, OH 45206
(513) 961-2660

Roy Rogers*
William Mappin
Steve Brown
Jim Crittenden
Larry Schultz
2800 Gilbert Ave.
Cincinnati, OH 45206

Prime 'N Wine*
Manager
7800 Montgomery Rd.
Cincinnati, OH 45236

Prime 'N Wine*
Chip Smith
9419 Colerain Ave.
Cincinnati, OH 45239

Quality Inn Central*
John Gurren
4747 Montgomery Rd.
Cincinnati, OH 45212

Cleveland Heights

Western Reserve Taverns Inc.
DBA/ The Elbon Cafe*
James Bonner
2619 Noble Rd.
Cleveland Heights, OH 44121
(216) 382-2059

Dayton

Frisch's Restaurants, Inc.*
Robert French
4081 Salem Ave.
Dayton, OH 45416

OKLAHOMA

Oklahoma City

Kip's Big Boy
Bob Yenowine*
120 S. Meridian
Oklahoma City, OK 73107
Roy Rogers
Dave Patrick
4600 N.W. 39th St.
Oklahoma City, OK 73122
(405) 787-5034*

PENNSYLVANIA

Pittsburgh

Interstate Hotels Corporation
Donald R. Trice
Donald L. Stanczak
Alan K. Cambra
Robert J. McKinley*
218 Frick Bldg.
Pittsburgh, PA 15219
(412) 227-6700

State College

The Train Station
Frank A. Hornstein III
C.C. Herlocher*
418 E. College
State College, PA 16801
(814) 237-5873

TEXAS

Bellaire*

Kip's Big Boy*
Dave Duncan
5320 Bellaire Blvd.
Bellaire, TX 77401

Corpus Christi

Dairy Queen of Corpus Christi*
John H. Evers
Marlyn S. Evers*
Pamela S. Evers
Charles Moore*
P.O. Box 81366
Corpus Christi, TX 78412*
(512) 992-0540*

VERMONT

Quechee

Parker House
Frank R. Parker*
16 Main St.
Quechee, VT 05069
(802) 295-6077*

Allied Directory Changes

Cini-Grissom Associates, Inc.

139 Bell Street
Chagrin Falls, OH 44022
Ronald P. Kooser
(216) 247-4830

11325 Seven Locks Rd.
Potomac, MD 20854
(301) 299-8100*
John C. Cini
Ray E. Petit, Jr.
William V. Eaton

943-B N. Palm Grove Rd.
Schaumburg, IL 60195
(301) 882-1770
Harry Schildkraut*

Crescent Metal Products Inc.

12711 Taft Ave.
Cleveland, OH 44108
(216) 851-6800
William R. Baggott
Raymond Ilko
George T. Baggott
Mary Schoenigger
George E. Baggott*

*Crescent Metal Products
appears under the following
Buyers Guide Listings:

Cabinets, Food Warming &
Conveying
Carts, Food Service
Lamps, Infra Red for
Warming or Cooking
Ovens, Convection
Warmers, Food

Petrolane

P.O. Drawer 1410
1600 E. Hill St.*
Long Beach, CA 90801
(213) 427-5471
Thomas Nunan
Joleigh S. Ernst
R.E. Myers

1470 Farnsworth Ave. #1112
Aurora, IL 60505
(312) 851-9112
Mike Settle

P.O. Box 458
Auburndale, FL 33823
(813) 967-4113
Joe Wheeler

*Petrolane appears under the
following additional Buyers
Guide Listing:
Gas-Propane

Will & Baumer Inc.

P.O. Box 4880
Syracuse, NY 13221
(315) 451-1000
Howard J. Nybo
Robert J. Scheffer
Donald E. Haury

*Will & Baumer appears under
the following Buyers Guide
Listings:

Candleabra, Candle Holders
Candle Warmers for Food
and Beverages
Candles and Tapers
Lamps, Candle
Warmers, Food

Fine Wines

NO LONGER FOR THE CHOSEN FEW

by Toni Lydecker



In 1982 wine dispensing units surfaced in the American marketplace, giving operators the opportunity to offer fine wines by the glass without the risk of spoiling the rest of the bottle. Has the invention lived up to its promise? For those operators where demand for premium wines fluctuates, the answer has definitely been yes.

Michael Gillen installed a wine dispensing unit in each of his three Massachusetts restaurants: one in Framingham, one in Boston and one in Peabody, allowing him to serve seven white wines and seven red wines by the glass in each operation. "We sold four bottles of Chateau d'Yquem just like that," Gillen told *Lodging and Foodservice East*. "I don't think that we'd ever sold one bottle before. The wine, a 1975 vintage, was priced at \$95 a bottle or \$8.50 a glass. "We don't have a drink on the bar that gets that kind of money," he noted.

The Colony Restaurant on Longboat Key, FL, found customer response to be equally dramatic. For the period between June 1, 1982, and May 31, 1983, total wine sales increased 23 percent over the year before. Wines poured by the glass from the wine dispensing unit totalled 18,492 glasses and accounted for 15 percent of total wine sales.

For operators like Gillen and restaurants like the Colony Restaurant, dispensing units are an idea whose time has come. But the machines will not boost profits and prestige, purchasers caution, unless the market is right and the use of the dispensing units is combined with savvy wine selection and merchandising techniques.

Units operate by nitrogen displacement...

Invented in France three years ago, the wine dispensing units were first marketed in this country under the brand name Cruvinet. Already the manufacturer, Winetech, Inc. (Santa Monica, CA), has been joined by other companies offering models that vary in size, design and appearance.

All of the units operate on the same principle, however. While wine is drawn through a tube and out a spigot into the glass, nitrogen gas flows through another tube into the bottle, filling the void. A tasteless, odorless and colorless gas, nitrogen does not harm the wine and, more importantly, it prevents oxygen from entering the bottle. As every wine lover knows, oxygen is an enemy of wine because it can quickly destroy a wine's delicate bouquet and flavor.

By all indications, the units succeed admirably in preventing oxidation. In a blind tasting conducted by the Food

Research Center of Hilton International Hotels, wine stewards could detect no significant difference between a wine attached to a dispensing unit for a week or more and a bottle of the same wine opened an hour earlier. Many of the machines also protect the wine by holding it at the proper temperature, using separate compartments and controls for reds and whites. Temperatures, on average, are held at 50 degrees for white wines and 62 degrees for red wines.

Costs vary. Size and appearance account for most of the variation. A fully automatic unit holding up to 28 bottles—housed in a solid wood and glass cabinet with brass or copper fittings—could cost more than \$10,000. A two-bottle, non-refrigerated unit in stainless steel or even plastic, on the other hand, sells for as little as \$450. Units can be custom designed to fit into an existing space and even suspended from the ceiling with the taps on the bottom.

Who needs it?...

Before choosing between deluxe and economy models, of course, a restaurateur must ask, "Do I need a wine machine?" Even the machine's enthusiasts agree that there should be a sizeable demand for fine wine by the glass to justify the machine's expense.

"You really have to know your market, whether customers are interested in fine wine by the glass and are willing to pay the price," says Kathleen Talbert, coordinator of Hilton's Food Research Center. Often such restaurants are located in resort or urban areas with a high average income.

Restaurants currently selling only a few bottles of fine wine per week probably do not need a machine. Those already doing a brisk business in wine by the glass may not need one, either, for the few ounces of leftover wine can be put to good use in the kitchen.

For restaurants that fall somewhere in the middle, however, a wine dispensing unit can provide a way to build sales volume for fine wine without the risk of spoilage. Wine inventory that is moving slowly by the bottle can be promoted by the glass. Customers are more willing to take a chance on an unfamiliar or expensive wine when paying for only one glass—and if they like it, the restaurant may make a bottle sale after all. The single diner who wants just one

What to ask about wine dispensing units

- **Appearance and Size.** Does a cabinet come with the machine (especially important if the machine is to be displayed)? Will a unit of the size you need fit into the available space without modification? If not, how much would customization cost? What about the cost of remodeling the bar (or other area) to accommodate the machine? Is the machine modular so you can add on later?
- **Design.** Does the unit have separate temperature-controlled compartments for red and white wines? Are they automatic or

must they be defrosted manually? How much nitrogen does the unit use compared to other models?

What are the spigots and tubes lined with? (Stainless steel is preferable to plastic because it does not alter the wine's taste.) Does the unit come with bottle clips for magnums and tenths? Can the coupling mechanism be switched easily from one bottle to the next without loss of gas or pressure?

- **Maintenance.** What kind of guarantee does the manufacturer offer? (One year for all parts and labor is desirable.) Is a kit of spare parts included? Does the company have a local representative to consult about repairs or problems? How often must the

machine be cleaned? (Once a month is usual.) Are the spigots removable for this purpose?

- **Delivery and Installation.** How long will delivery take on a standard unit? (Immediate delivery to six weeks is the normal period.) How long will delivery take on a customized unit? (The norm is 10 weeks.) Who does the installation? How much time does it take?
- **Extras.** Does the machine have a locking security panel for the compartments? Does a light come on if a door is left open accidentally?
- **Price.** How does the price compare to similar units sold by other manufacturers?

glass of superb wine will be happy to find it's available, and so will the table of people who would like different wines to accompany their dinners. A full bottle of dessert wine is too much for many diners, but they may agree that a single glass concludes the meal on the right note.

Restaurants with great fluctuation in business, such as those in hotels, are also good candidates for these units. The wine steward can sell one glass from a \$20 bottle of French Cabernet Sauvignon on a busy Saturday night, confident that it will still be perfectly drinkable the following weekend, when business picks up again.

In addition to having the right clientele, the management must be willing to put some elbow grease into selecting good wines and promoting them. Upgrading the wine list, changing the wines on the machines every week or month, organizing media events and scheduling regular tasting sessions for staff are techniques that help create a high-visibility wine program.

Success can boost profits...

When a machine and the restaurant's needs click, everyone is likely to be pleased with the results. Moreover, the effect on the bottom line can be startling. The Colony Restaurant in Longboat Key, FL, doubled its wine sales following the installation of a 14-bottle machine, recovering its \$6,000 investment within 10 weeks. "It's a visual marketing tool," points out Michael Klauber, food and beverage director. "People see it, ask what it is

and then it's only one step to ordering a glass of wine." Twenty-seven different wines, including champagnes and sparkling wines not kept on the machine, are available to customers. The price ranges from \$2.50 to \$10.00 per glass. "Since the house wine sells for \$2 a glass, it's very easy for a customer to step up to wine by the glass," maintains Michael Klauber, food and beverage director.



**"Wine
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The Colony Restaurant has volume rather than high percentage mark-ups, stimulating customer interest through such tactics as sending a newsletter that announces the month's wine selections.

The Red Cabbage, a full-service restaurant in Seattle, WA, also increased its total wine sales by adding a 14-bottle dispensing unit. Visible from everywhere in the lounge, the machine has sparked greater interest in wine by the glass. Because it was the first in

the region to buy a machine, the restaurant received extensive media coverage, which attracted a large number of new customers.

Wine by the glass has reinforced bottle sales and vice versa, according to Larry Stone, wine steward and manager. Customers, who might formerly have ordered only a glass of the house Chablis or no wine at all, now experiment with several fine wines offered by the glass or in two-ounce tasting portions. Often these customers order a full bottle of one of the wines to accompany dinner.

The Bouzy Rouge Cafe in Newport Beach, CA, uses its original French model in stainless steel to create a more intimate marriage of food with the appropriate wines. Working with groups such as the Friends of Wine, for example, it might schedule a special dinner featuring five California Chardonnays, one for each course.

Deciding whether to take the plunge...

Without the right clientele and a commitment to running an ambitious wine program, a dispensing unit could be just an expensive toy rather than a profit booster. If your restaurant fits the profile of those that have prospered after buying a machine, however, consider the full range of available models. And do your homework thoroughly. Rapid technological changes continue to bring new models on the market, many with varying designs, prices, sizes, maintenance agreements and extras.

STARTING ON THE ROAD TO SUCCESS



Building a restaurant into a successful enterprise takes much more than a great idea. Here are some questions to ask yourself if you are starting on the road to success.

1. How good and how consistent is the quality of food and service?

Successful restaurateurs agree that a successful restaurant must "serve a good product at a reasonable price and keep up the tradition of fine service," explains Patrick Terrail, owner of West Hollywood's Ma Maison. "Many restaurants become trendy quickly and last for one or two years. What counts is consistency of quality food and service."

This consistency has been responsible for Ma Maison's success. Ma Maison celebrated its 10th anniversary last fall. What started out to be a small and modest restaurant has become a favorite spot for Hollywood's movie, television and music sets. Although the number is unlisted, the restaurant is full constantly; and the restaurant is full.

Of course, Terrail has tailored his operation to serve his particular client-

ele, and this accounts for some of his success. For example, he guarantees privacy and anonymity, excluding autograph seekers and other intrusive fans. But the key to his success, he claims, is consistent quality.

2. Is the price/value relation in balance?

People want value for their money. "Primarily, you're delivering a price-value relationship in the proper balance," claims Joe Parker, president of Food Systems, Inc. and Pizza Entertainment Centres, Inc. in Raleigh, North Carolina.

Parker's restaurants include three truck stop operations, a hospital coffee shop, a Chuck E. Cheese franchise and an atmosphere restaurant. "The price-value relation is relative," explains Parker. "We weight it differently for different kinds of restaurants. At a truck stop, value could be large portions whereas at an atmosphere restaurant quantity is less important than quality." Parker believes that the secret to success is to stay abreast of customer expectations and to fulfill those needs. (See box below.)

3. Do I have the knowledge and experience I need?

"There is no such thing as overnight success," maintains Patrick Terrail. "Those who succeed have a common denominator: They know their business." Terrail attended the Cornell Hotel School and apprenticed for years before opening Ma Maison. "Many people start a restaurant thinking it's easy and end up losing money. Experience is very important. When faced with having to make the correct decision, you can reach into your memory bank and ask yourself what so-and-so did."

Rachid Benkirane, co-owner of Georgetown's Tout Va Bien agrees. "People think opening a restaurant is easy. You just hire someone for the door, put in tables and chairs and you're in business." This isn't so, he says. He and his brothers worked in various restaurants before beginning their own successful venture.

Good management is crucial to a restaurant's success. Operators, short on experience, hire seasoned managers or fill in the gaps with courses at local colleges and universities or correspondence schools.

4. How suitable is the location?

Location is very important to a restaurant's success. "If you are in the wrong location, you can fail, especially in a city like Los Angeles," states Bernard Jacoupy, owner of Bernard's in the Biltmore Hotel in Los Angeles.

Such elements as convenience, parking and the demographic composition of a neighborhood play important parts in determining the favorability of a location.

Some restaurants close to or inside office buildings are in a great location for lunch, but in the evening the area is deserted. A full service restaurant may be in trouble. Close attention must also be paid to the saturation level of a particular kind of restaurant in a proposed location.

5. Is the restaurant being marketed adequately?

A restaurant must be kept fresh in people's minds. What this takes varies from location to location and from one type of restaurant to another. The question to ask is, "what generates the right image to the right clientele most effectively?" In general, the higher the volume of business you want, the

Why customers eat out

Reason	All restaurants	Fast food restaurants	Family restaurants	'Atmosphere' restaurants
Convenience	37.3%	40.7%	53.4%	16.1%
Enjoyment	23.4%	5.9%	23.0%	46.0%
Lack of time	18.1%	39.7%	7.8%	1.4%
Celebration	6.9%	.3%	2.3%	20.2%
Traveling	2.4%	2.5%	2.9%	1.7%
Business meeting	1.7%	.9%	1.6%	2.8%
Shopping	1.7%	3.1%	1.6%	0%
Other/no response	8.5%	6.9%	7.4%	11.8%

Source: National Restaurant Association

more you must advertise. Well-placed ads can bring a wider-based clientele into your restaurant. Then, if the restaurant lives up to its promise, word-of-mouth recommendations will support the advertising.

It is important to target advertising correctly. If you are looking for patrons who earn \$30,000 a year or more, place ads in publications and on radio programs that reach professionals. Often, successful restaurants do not advertise at all. They are usually small operations of 100 seats or less and depend almost solely on word-of-mouth advertising. At Bernard's, Jacoupy puts his marketing dollars into extras at his restaurant, such as complimentary roses to female guests, complimentary desserts, live entertainment (classical harp) and seasonal decorations.

A family restaurant, on the other hand, may do well to get involved in community activities. It could support a Little League baseball team or be active on the local Crime Watch Committee. Helping the needy builds goodwill in the community and fosters the kind of image popular with families.

6. Does the restaurant have rapport with customers?

A loyal clientele is the best thing you can have, but it is the hardest thing to get and keep.

Restaurateurs should make a concerted effort to make customers feel welcome and cared for. One successful solution is to have someone in authority, such as an owner or manager, stationed at the door at all times. This gives a restaurant a personal touch. If there is both an owner and a manager (or two or more managers), one person should greet customers at lunch, another person should greet them at dinner. People like to meet the same person every time they come in and to be remembered and recognized. They come back for this special attention.

Responding well to client suggestions and complaints is often the test of good management. No one should leave the restaurant unhappy. If patrons do, word of mouth may work against you, undoing many times over the goodwill you have built up. Every mistake and complaint must be remedied with a gracious and generous response. If someone does not like his entree, another choice should be offered in such a way as to not embarrass the patron. If someone complains



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seriously about a dish but does not want a replacement, the cost of the item should be taken off the check with the restaurant's apologies.

7. Is the restaurant organized with simplicity in mind?

The key word here is simplicity. Everything should be set up so the kitchen staff and the waiters can work with maximum efficiency and ease and no one wastes time or energy. The result is that the clients receive good food and good service no matter how full the restaurant becomes.

"In order to run the kitchen well, you need a good chef who makes sure everything is perfect, someone who cares," claims Khalid Benkirane, co-owner chef of Tout Va Bien. The chef must oversee the food quality and the manager or maitre d' must oversee the quality of service. This requires the ability to motivate people to take responsibility and think on their own within the framework of the restaurant.

8. Is there enough money to cover expenses?

To succeed with a new restaurant you need enough capital. Bernard Jacoupy has observed a new conservatism in the restaurant business as a whole. Certainly the effects of the recent recession have been deeply felt in the restaurant business. On the whole, competition among restaurants has become fiercer and the market has become smaller. Other important reasons for fiscal conservatism are inflation, unseen costs and the unreliability of an early return of investment. Be sure you have a financial cushion. "If you think \$100,000 will do it, you end up spending \$200,000 or more," counsels Rashid Benkirane.

"Once you're off the ground, a successful restaurant must be maintained," warns Joe Parker. "Money must be put back into the operation. Many people make some money quickly then head for Exit City." The restaurant then takes on a general feeling of being tired, of wilting.

9. Is the atmosphere inviting?

Customer expectations often extend to a restaurant's atmosphere. "To be successful," explains Rashid Benkirane, "you need atmosphere as well as good food. Often atmosphere is the main attraction. People go out to see and be seen." Atmosphere is a statement of the restaurant's uniqueness. It says this is what we offer. If the statement is clear and inviting, the response is more likely to be clear and strong.

It is also important to note that cleanliness weighs heavily in the minds of customers.

10. Is the restaurant open to change?

To be successful, restaurants must evolve and change as society dictates," contends Gene Landrum, president of Zaps Bar and Grill, Inc. and former vice president of Pizza Time Theatre, Inc. "Now Friday's and Houlihan's succeed because they try to understand the demands of people in a fast world, especially the 25 to 45 year age group. People still want quality, service and a reasonable price, but the way of being served has changed."

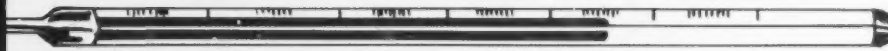
Zaps is an example of a responsive restaurant. It is a high-tech bar and grill now being tested in the South Bay area of San Francisco. Zaps seats 300 but not in a conventional restaurant setting. One may sit or stand to eat and drink, and enjoy many different kinds of games—both video and conventional.

Another innovative success is Joe Parker's Soaps in North Carolina. Soaps combines a laundromat with a bar, a video game room and a pizza parlor. The third version of Soaps opened recently in Raleigh.

Although such new concepts are certainly daring, being responsive to the changing needs of customers does not require a major overhaul. By adding new items to the menu, changing the decor or speeding up service, restaurateurs are letting their customers know they care about their needs and interests.

by Carol Caprione

FOODSERVICE: THE RIGHT MEDICINE FOR AN AILING HOSPITAL



Hospital foodservice directors are beginning to see foodservice as an important marketing tool that can build a following for a hospital.

Hospital food is no longer a taken-for-granted service. It has achieved front-line significance in the competitive medical marketplace. Hospital foodservice programs across the country are becoming transformed. Bland food is out and gourmet food is in, as foodservice managers use their ingenuity to woo patients to their establishments. If government medical programs tighten their belts, U.S. hospitals are likely to zero in even more on upgraded foodservice programs to beef up profit margins. Here is a review of how the programs are changing.

In a February 1983 survey conducted by the American Society for Hospital Service Administrators, 42 percent of the association's 2,100 members reported having some type of

upgraded—often gourmet—meal service. This number seems to be increasing monthly.

Increased revenue may be the main reason for the menu change, but it's not the only one. Other reasons that hospitals give for instituting an upgraded meal service include

- ❖ **countering bad publicity and jokes about hospital food.** "On almost every television program about hospitals, there's at least one unflattering remark about the food. We're working to change that image with the public," reports Paul Marki, director of food and nutrition at St. Joseph's Hospital in Fort Wayne, IN.

- ❖ **concern for total patient care.** Nutritionists are learning that the taste and appearance of food are important to patients and can make a difference in recovery. "If patients don't like the



Hospital foodservice managers are wooing patients with personal touches—from specially prepared menus to room service at times other than scheduled meal periods.

food, they won't eat it; and then they won't get well," maintains Learlene Stewart, R.D., foodservice director at Gottlieb Memorial Hospital, Melrose Park, IL. "A positive attitude is important for good health.

• **keeping pace with competing hospitals.** According to Marjorie Beasley, president of the American Society for Hospital Foodservice Administrators and foodservice director of Bloomington Hospital, Bloomington, IN, "In large cities, competition between hos-

pitals is keen, and patients may indeed choose a hospital because of its reputation. Not everyone is competent to judge the quality of patient care, but everyone feels competent to judge the quality of patient food. Therefore, foodservice has become a great marketing tool in hospitals."

New directions in hospital dining...

There is no one formula used by hospitals to upgrade their foodservice

image. The approaches vary from gourmet meals and special commemorative meals to "early bird" specials. Here is a look at some representative programs.

Hospital foodservice directors nationwide are beginning to offer gourmet meals where, for an additional fee, patients and their visitors can enjoy upscale dining in the hospital. Many hospitals sell gourmet meal certificates in their gift shops as an alternative to flowers, candy or books.

Mt. Sinai Hospital, Minneapolis, MN, calls its gourmet dining program "La Cuisine Elegante." This service began in September 1983 and is only available at dinner. The price of the gourmet meal for patients is \$10 plus the cost of wine. For guests, the cost is \$15 plus wine. The meal is served on special china either in the patient's room or in a separate dining room in the hospital. Reservations are requested 24 hours in advance.

Mt. Sinai's elegantly printed menu offers such culinary delights as *galantine de volaille*—velvet-textured liver accompanied with mini-pumpkin slices; *kahor de legumes marines*—a skewer of marinated vegetables arranged on greens; *les fruits de mer St. Jacques*—a repertoire of seafood in a delicate cream sauce served on a bed of rice with an array of vegetables; and *parade chocolat*—a chocolate brownie almost hidden by chocolate ice cream and crowned with fudge sauce. Beverages include red, white and rose wine; champagne; perrier and non-alcoholic Catawba grape juice.

The patients learn about the dining option from their nutrition service representative and from an informational card that appears on their first food tray.

St. Joseph's Hospital, Fort Wayne, IN, also offers a similar gourmet dining service. It is available at all three meals at adjusted prices. The meal is an option for all patients as the hospital chef can modify the menu for any diet. In addition, St. Joseph's offers a special gourmet dessert menu for \$2.50—available at any time of the day.

A "memory meal" for the new mom and dad...

One foodservice program that has been very well received is a gourmet memory meal or candlelight meal for parents of newborn infants. This meal



Many hospitals have tried to perk up foodservice to children. St. Catherine's Hospital has succeeded with a refrigerated cart in the shape of a covered wagon that lets youngsters select their own food. The menu above compliments the covered wagon theme.

is designed to give new parents an elegant and intimate dining experience before they take their baby home and have little time for quiet suppers.

Hospitals don't have to depend on their own staff and furnishings to provide the experience. Custom Management Corporation (CMC), Kingston, PA, a foodservice management company with over 100 hospital clients in 20 states, offers memory meals as a special program to its client hospitals. At Wilkes-Barre General Hospital, Wilkes-Barre, PA, memory meals are served restaurant style in a conference room decorated with tablecloths, fine china, special tableware and candlelight. Couples are served a five-course dinner with wine. They have three entree choices, including chicken Kiev, broiled steak or baked flounder stuffed with crab meat.

A cafeteria waitress is specially dressed for the occasion. She pours the first glass of wine, which is served in a carafe. In addition, the couples receive a special menu card, which includes their names, the date of their child's birth and congratulatory wishes from the hospital. "This is the kind of touch that really makes an impression. The new parents cherish the experience and tell their friends about it," says CMC Director of Communications Helen Gattuso.

Local restaurant provides change of pace...

Another dining treat that lifts the patients' spirits and breaks the monotony of hospital foods comes from local restaurants taking over the hospital's foodservice for a day. Sometimes this



is a very elegant affair with days of preparation and menu planning. At other hospitals, however, it may be a more casual approach featuring one or two specialties, such as tacos or pizza.

Last February the Clock Tower Inn of Rockford, IL, provided the Rockford Memorial Hospital with a gourmet buffet for the hospital's 1,500 patients and employees. The menu, at usual hospital prices, consisted of 10 entree choices and 20 varieties of fruits and salads. Menu selections in-

cluded sweet and sour pork, coq au vin, seafood creole, formaggio crab, cod in curry cream as well as tomato bread and spumoni de amaretto—just to name a few. The buffet table was decorated with ice carvings and a fruit and cheese display. Meals were modified to fit special diets so everyone could enjoy the treat.

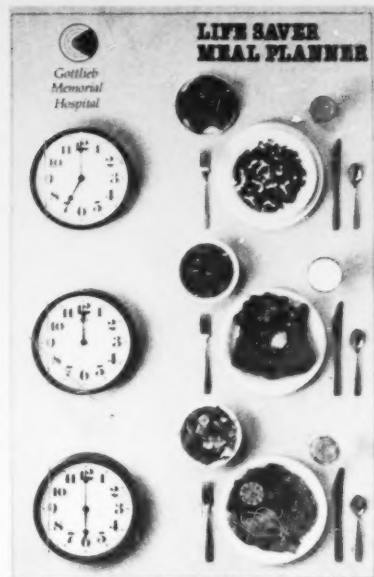
Russ Moore, director of foodservice at Rockford Memorial, said the hospital began the gourmet buffet idea four years ago and repeats it every nine months primarily to break the monotony of hospital feeding. Different local restaurants participate. "It's a service that is extremely well received. The Clock Tower Inn has been here twice. As many as 12 Inn chefs came in and guided our cooks. It took about two days for the actual production. Although the hospital does not recover the cost of the buffet from patient fees, the added expense is worth it. Everybody loves it, and spirits really soar," remembers Moore. Clock Tower Inn's General Manager Rex Parker agrees. "The event is a nice community public relations activity that builds goodwill and nurtures future customers."

St. Catherine's Hospital, East Chicago, IN, offers a similar dining service especially geared to its employees. Last February the hospital began offering monthly guest restaurant tours where local restaurant owners and their staff come into the hospital, prepare their specialty dishes, and serve them to the employees at a discounted price. Owners also raffle off T-shirts and coupons for their restaurants. "Employees really like this. Revenue is usually increased on that day," says Carolyn Smith, St. Catherine's interim director of foodservice.

Room service in a hospital?...

Most of these new approaches to foodservice are designed to take away some of the institutional atmosphere of the hospital visit. Hospital foodservice executives are increasingly sensitive to the patients' need for some independence in an otherwise controlled and dependent environment. One way they have turned over some of the control to patients is by allowing them to order food at times other than scheduled meal periods.

St. Joseph's Hospital in Fort Wayne, IN, offers its patients the option of room service. This service ac-



Gottlieb Memorial Hospital's program includes this "Life Saver Meal Planner."

commodates regular, soft and liberal bland diets. Other restricted diets must be cleared by physician approval. From 9:00 a.m. to 2:00 p.m., patients can order snacks, including a breakfast roll (\$.50), yogurt with fruit (\$.75) and sliced breast of turkey on a kaiser roll (\$2.00). From 3:00 p.m. to 8:00 p.m., patients can snack on such items as bar cheese (\$.75), pizza (\$4.00) or chips, pretzels and corn chips (\$.30). Beverages are also available.

Coffee for early risers...

Many people feel that they can't start the day without a cup of coffee. Gottlieb Memorial Hospital, Melrose Park, IL, understands this habit and responds with its "early bird special." Beginning at 6:00 a.m., coffee is available for patients who are awake and ready to start their day. "Our main purpose is to try to please our patients. We don't want them to feel like they are in an institution," explains Learlene Stewart.

Monotony breakers for a change of pace...

Even if they have not revamped their entire foodservice approach, many hospitals have instituted "monotony breakers" into their meal service plans to provide a change of pace in the predictable hospital routine. This service makes even a short hospital stay more special for patients, and it is a very welcome change for employees as well.

These monotony breakers can be a special snack at the snack bar, a special lunch or dinner or an entire day devoted to celebrate a holiday, season or ethnic cuisine.

Deaconess Medical Center, Spokane, WA, under the foodservice management team of Saga Corporation, offers two to three monotony breakers a week. These can range from home-made six-inch diameter cookies at coffee break to an entirely new luncheon menu to reflect a special theme like October Fest. The October Fest menu included potato pancakes, stuffed cabbage roll, sweet and sour cabbage, chicken in burgundy sauce, bread pudding and apple turnovers.

St. Joseph's Hospital, Fort Wayne, IN, also offers theme days to break the monotony. Paul Marki reports a 12 percent increase in outside lunch traffic in one year because of these theme days. "We get many of our ideas from commodity groups like the apple association or the grape commission. These groups offer a lot of very helpful literature free of charge, including hints and posters for this kind of use."

The children rate extra special attention...

No one likes to be in a hospital, but for a child a hospital visit can be a sad and lonely experience. Many hospitals have tried to perk up the children's stay with familiar favorites like peanut butter and jelly sandwiches, hamburgers, spaghetti, fried chicken, hot dogs and salad. They have also gone out of their way to creatively name meals, decorate plates and present the food with whimsy, modeled after familiar fast food characters. This effort not only builds a lot of goodwill for the hospital but also eliminates a great deal of waste.

St. Catherine's Hospital, East Chicago, IN, has found a way to ensure that children enjoy their meals. Each day, youngsters select their food from a "covered wagon," which is actually a refrigerated cart with added spoke wheels and plastic wood grain laminate. The children are allowed to take as much food as they like, and they eat together in a special dining room which is a converted four-bed ward.

The dining program cost nearly \$5,000 to institute, but the hospital reports that start-up costs will be recovered quickly since food waste has been virtually eliminated. "Before the chuck wagon, 50 to 75 percent of the children would not want what was on their trays. We don't have that problem any more," said Carolyn Smith.

Some hospitals go out of their way

to make parents welcome, too. Independence Sanitarium and Hospital, Independence, MO, shows its appreciation to the parents who stay and help with the care of their children by offering them a complimentary continental breakfast and lunch.

What does the future hold for hospital foodservice?...

Foodservice directors are reluctant to predict the future of hospital foodservice. In the short-term, they express concern about the Prospective Payment System, which went into effect for Medicare patients on Oct. 1, 1983. Hospitals will now receive set rates for treatment as payment in full. It is still unclear whether payment rates will cover treatment costs or if treatment costs will be greater. Until hospitals can assess the effects of the new legislation, most administrators are being cautious and placing new innovations on the back burner.

In the long-term, those interviewed were more optimistic. They foresee

- more widespread use of gourmet dining—even on restricted diets
- more revenue-making community programs, including dietary clinics, diabetes clinics, non-smoking clinics and cooking classes
- increased preventive medicine initiatives including information pamphlets, booklets and cookbooks as well as consultations with hospital nutritionists.
- more widespread use of computers
- increased use of food preparation techniques that allow food to be cooked in quantity and quickly frozen. When the food is needed, it can be quickly brought back to proper temperature. This process reduces the number of staff needed to run the line
- greater service orientation. Hospitals will be run more like hotels offering such services as room service, valet parking, instant registration.

Hospital food is not what it used to be...

To say the least, hospital food is not what it used to be. Foodservice directors have let out all the stops to please their patients and to make them feel like they are not in an institution. The result is a gradually changing image of what hospital foodservice can mean for foodservice staff and hospital patients.

TRAINING YOUR STAFF TO TALK NUTRITION



Today's wait staff must play many roles: salesperson, ambassador of goodwill, decisionmaker for the indecisive. With the increase of consumer interest in health and fitness and the corresponding growth of healthful fare in restaurants many waiters are finding themselves also acting as nutrition advisors.

There are special demands placed on the wait staff of a restaurant that features lighter, fresher foods generally lower in fat, sugar and salt. In many operations customers ask how nutrition relates to health and which dishes on the menu fit their particular dietary needs and interests.

It's a big, new order for wait staff, and many health-conscious restaurants are moving to help employees learn how to carry it out. The help ranges

from the simple—sheets posted on the bulletin board in the kitchen; to the elaborate—staff orientations and training sessions complete with daily food tastings.

Some hotel restaurant chains and organized health programs have developed structured training efforts for wait staff that rely on instructional materials—information kits and manuals explaining specific nutrition programs or dietary guidelines. The smaller, independent restaurants have adapted newer and less conventional approaches to wait staff training. They have launched employee orientation with hands-on experience and adopted modern training techniques, like role-playing and small-group discussions.

Examples of both these formal and informal approaches appear in the *Nutrition and the American Restaurant*

report. Some of these methods serve as models for other restaurants searching for efficient, effective ways to build nutrition knowledge and communication skills among wait staff.

Creative cuisine program addresses wait staff training...

It is not surprising that the "Creative Cuisine" program, which, in many ways, serves as a model restaurant nutrition program (see November 1983 issue of *NRA NEWS*), also addresses wait staff training as a matter of course. In fact, program information for the wait staff is integrated with other instructional and promotional materials for managers, cooks and consumers.

For the wait staff, "Creative Cuisine" offers a pocket-size folder with

an introduction to the concept of the program, a "tip sheet" on specific menu items, and a table of suggestions for substitutions that meet the program's diet guidelines. In brief, the folder tells waiters and waitresses what they need to know about the program's approach to nutrition as well as how they can present information to the concerned customer.

Examples of tips are

- ❖ Extra bread or crackers, margarine, salad dressing, gravy and sugar add unnecessary fats, calories or cholesterol
- ❖ Be ready with positive suggestions, such as "Fresh fruit is a good dessert" and
- ❖ Remember that low-calorie nutritious appetizers include consommé, vegetable soup, fruit juice or fruit cup, raw vegetables with low-fat dips, made with such ingredients as yogurt, chili sauce, cottage cheese, fish and shellfish.

The folder also points out: "... We can't help but believe that a more satisfied customer—one who knows that you have his or her interest at heart—is going to be a more generous customer when it comes to tips."

Hungry Tiger produces mini-manual on heart/health facts...

The Los Angeles-based Hungry Tiger seafood restaurant chain, which participates in the American Heart Association's local "Dine to Your Heart's Content" program, has developed its own wait staff training based on the "Creative Cuisine" model.

Hungry Tiger decided it wanted to prepare its staff to address any special problems or requests related to its fresh fish entrees. But, according to advertising director Joan Perloff, "We couldn't train the staff during working hours." The solution was a take-home "mini-manual" explaining program specifics.

The four-page publication introduces wait staff to the Heart Association program and offers heart/health facts that can be passed along to customers as well as clear explanations of how the Hungry Tiger menu fits the diet guidelines.

The suggestions vary from specific tips—such as avocados are high in fat—to more general suggestions on how the wait staff can help customers



order from the menu. For example, in addition to heart-designated items, the Hungry Tiger offers several broiled or sautéed fish entrees. These selections are low in fat and calories but are larger than the six-ounce portion size approved by the Heart Association. Customers preferring these entrees but wishing to follow a more restricted diet are encouraged to eat less of the entree and take the remaining portion home.

Hotel restaurant chains also routinely use informational materials to build nutrition program awareness among wait staff. With their multiple sites, it is an efficient approach. The Hilton Hotels Corporation, for example, always has included in its instructional materials for restaurant managers tips for addressing the information needs of their wait staff.

Hilton and Marriott Hotels train with sample questions and answers...

For its 1980 Fitness First promotion, Hilton designed a staff training pack-

age for all employees involved, including wait staff. An eight-page training guide included sample customer questions and answers. To reinforce the material, Hilton employees were quizzed.

For an upcoming nutrition program, the Hilton Hotels Corporation is developing a restaurant service staff training package that will be one of 11 instructional components to promote the program. Others include separate training packages for chefs and management staff.

The Marriott Corporation also includes sample nutrition questions and answers in its regular orientation programs for new restaurant managers.

Independents personalize training...

Other, smaller restaurants also recognize that training is critical to an effective nutrition program and have developed highly personalized approaches that begin from the day of hiring.

"Our people are not hired because they have food knowledge," explains Jan Lucas, co-owner of Jerome's in Chicago, IL. "They are chosen for their sense of presence, sincerity and hospitable nature. It's our job, then, to teach them about food."

Nora's, an additive-free fresh food restaurant in Washington, DC, also hires people "without lots of experience," says co-owner Steven Damato. "They are people who have other interests—artists, musicians and so on. They are people who generally never wait tables again."

It is not surprising, then, that both Jerome's and Nora's emphasize wait-staff training. Of the two restaurants, Jerome's training program is more structured. It includes a three-day orientation for new staff and ongoing, daily staff discussions. (See sidebar for details.) Jerome's believes the wait staff can best communicate about healthful aspects of the food by, first, knowing every single ingredient in every dish and, second, displaying an attitude of commitment to and interest in Jerome's food philosophy.

"We can't bog down the customer with details of ingredients," explains Lucas. But Jerome's *can* expect the wait staff to be prepared to answer detailed questions if they are asked.

Jerome's goes a step further "to get the message across about what we

Jerome's training program for new wait staff

I. Orientation

First day: The new wait person receives a *General Service Manual*, which describes Jerome's approach to fresh food, its philosophy of service and details of the restaurant's operations. A kitchen manager, usually one of the owners, reviews key points in the manual with the trainee and presents a detailed menu description. Jerome expects the new wait person to learn every ingredient and preparation method for every dish on the menu.

The trainee also tours the kitchen, watching food preparation and tasting dishes as part of the learning process. At lunchtime, the

new employee "shadows" an experienced wait person, who assists with questions and helps orient the trainee.

Second day: The trainee reports for a night shift and watches the food come out of the kitchen. The experienced wait person quizzes the trainee in food identification.

Third day: The new employee continues the "shadowing" process and, at the end of the day, takes a verbal test on Jerome's menu. It is administered by a kitchen manager, but not the one who first described the menu to the trainee. The new employee must be able to answer questions such as: "What's in the 'California Salad'? How would you describe it to a customer? Tell me everything else you know about it." "What meatless dishes are on the menu?" "What dishes can be prepared easily without salt or extra fat

or sauce? How are these items prepared?"

After the three-day orientation, the new employee serves as a "back" wait person for a few days, carrying plates to the floor and taking dessert orders.

II. Daily brushups

Now the second phase of Jerome's wait staff training begins: daily discussions and tastings of specials and new items on the menu. Questions Jerome wants new staff to ask on a daily basis include, "Is today's soup made with vegetable or chicken stock?" "What is in the sauce for the special?" "What fish is on reserve in the kitchen for special diet orders?" "What manager is on duty to answer any nutrition questions I can't answer?"

do," says Lucas. An initial opportunity is when bread is brought to the table. Jerome's makes two kinds of bread: whole wheat millet and potato. Lucas trains her staff to explain that the bread is homemade and to list the ingredients, if requested. For those patrons allergic to specific substances, such as wheat, the wait staff is prepared to suggest substitutes.

"We are happy to cook without salt or make substitutions for allergy-prone customers," says Lucas. "We always have things on hand, such as scallops, that may not be on the menu but could be prepared specially. This does not create any problems for the kitchen. It would only be a problem if the wait staff didn't know that we can do it."

Ongoing training during communal meals...

Jerome's training program tries to ensure that the wait staff does know what the restaurant can do, every day. During daily communal meals—11 a.m. for the day shift and 4:30 p.m. for the evening shift—Jan Lucas or another kitchen manager discusses the day's specials and the new items on the menu, often passing around samples.

However, the hardest part of wait staff training is conveying Jerome's philosophy of food and service, says Lucas. The good news, says Lucas, is

that Jerome's tends to attract employees "who like our food. They have eaten here or have heard about us, or they are vegetarians. These people generally work out. If they just think Jerome's is a groovy place, it tends not to work out."

Staff training becomes more complicated during the busy summer months when the restaurant's patio facilities are open and an extra 15 to 20 people are hired to wait on customers. Last spring, two veteran waitresses helped interview the dozens of applicants for summer jobs.

Role playing shares involvement...

Nora's approach to wait staff training is similar in philosophy to Jerome's, with an added twist. Nora's version of the daily meals-plus-discussions includes role playing. Waiters and waitresses take turns serving one another the evening meal, suggesting wines and talking about the food. One of the restaurant owner-chefs participates. The staff criticizes each other's presentations. When they are finished, they know facts that range from additive-free sources of food to which sauces do not have garlic. They are also ready to suggest appropriate wines for the various dishes. And they know exactly how the foods taste. Preparing and communicating about food takes

more than words. It takes a shared involvement in the restaurant.

Volunteer nutritionists can help...

Restaurants whose orientation is not strictly health-oriented can train their staff in principles of nutrition by inviting a local nutritionist to teach on a volunteer basis. Possible sources for trainers include a local medical center or school, the American Heart Association, the American Dietetic Association or another similar professional organization.

Is the extra effort worth it?

According to Mary H. Tabacchi, associate professor of nutrition at Cornell University's School of Hotel Administration, the answer is clearly "yes."

"The rule of thumb used to be, 'you're a good manager if your wait staff knows the ingredients of menu items,'" she says. "Now it is, 'you're a good manager if your staff knows the key dietary components—like fat and sodium—of those menu items.'"

Editor's Note:

Nutrition and the American Restaurant is available for \$4.25 from Public Voice for Food and Health Policy, Suite 519, 1001 Connecticut Ave., N.W., Washington, DC 20036.

THE BOARD ROOM

Massachusetts Restaurant Association raises funds for U.S. Culinary Team

The Massachusetts Restaurant Association (MRA) conducted a wine tasting in Boston last fall to raise funds for the United States Culinary Team. The proceeds of \$3,000 were donated to the U.S. Culinary Team Foundation as its master chefs prepare for the 1984 international competition in Frankfurt, Germany, often called the "culinary olympics."

Stephen E. Elmont, Crea-

tive Gourmets, Ltd., Boston, was the creative force and chairman of the wine tasting fundraiser, which was hosted by Anthony Athanas, owner of Anthony's Pier 4 Restaurant, Boston.

According to Elmont, "More functions similar to the MRA wine tasting are needed to increase the visibility and support for the U.S. Culinary Team. The wine tasting was a wonderful attraction and compliment to our highly professional U.S. Culinary Team."

MRA Executive Vice President Ray Murgia agrees. "There was no 'downside,'" he said. "This reception was successful to the U.S. Culinary Team, to the MRA and to those attending. After all the com-

petition is one of the most prestigious events available to the culinary community. The industry must support it."

Three hundred individuals paid \$25 each to attend this festive function, where 12 new wines from six of the Napa Valley's premier wineries were poured. In attendance were Myron Nightingale, winemaker for Beringer Vineyard; Bernard Portet, the French owner of the Napa Valley's Clos du Val winery; John Wright, president of Domaine Chandon (sister to the French champagne producer, Moët); John Trefethen of the Trefethen Vineyards; Jack Cakebread, owner of Cakebread Cellars; and Marcie Mondavi from the Robert Mondavi Winery.

NRA Director O'Neal wins fraternity award

NRA Director Michael O'Neal (Ginger Man Group, New York, NY) was awarded the 1983 Significant Sig Award at a New York City Sigma Chi Alumni Chapter dinner at Sardi's Restaurant last fall.

The Sigma Chi fraternity honors one or more of its members with the Significant Sig Award for outstanding achievement in their professional fields every two years.

NRA Director O'Neal was recognized for his successful career as a restaurateur and

President Lee and Treasurer Balestreri attend California Wine Festival

The 8th Annual California Wine Festival, held at the Monterey Conference Center, November 27-30, 1983, was a success by any measure. Eighty-nine wineries representing every area of this major wine-producing state participated in the three-day festival, which also drew celebrated cooks, leading authorities in the world of food and wine and noted foodservice industry leaders like NRA President Joe R. Lee and NRA Treasurer Ted Balestreri. On hand for the occasion were culinary expert and TV personality Julia Child, renowned chefs Tell Erhardt

and Louis Szathmary, and the wine expert Andre Tschelestecheff.

NRA President Joe Lee delivered the keynote address. Treasurer Ted Balestreri, co-owner of the Sardine Factory in Monterey, CA, participated in a restaurateurs' panel discussion.

In his keynote address President Joe Lee discussed the growth of the American wine industry and how restaurateurs and the National Restaurant Association are furthering this progress.

"The American wine industry is growing by leaps and bounds and foodservice is involved in the phenomenal growth of the American wine market," Lee told the crowd assembled for his address. "... Restaurateurs are becoming very innovative wine merchandisers. Wherever you go today you see wine specials, fine wines by the glass, displays of wine, carts and baskets,

wine recommendations accompanying entrees on menus, wine tasting dinners and wine festivals... NRA is actively involved in this educational process."

As examples of NRA's contribution to the expanding wine market, Lee cited NRA's Wine Sales and Merchandising Seminar, which teaches operators how to ed-

ucate their customers about wines and increase wine sales; the Annual Conference on Alcoholic Beverages to be held at the Westin St. Francis Hotel in San Francisco, March 19-22; and the Annual California Wine Workshop in September, which brings operators across the country to visit California wineries.



After being named a Knight of the Vine, NRA President Joe Lee signs the organization's registry at the chapel of Santa Catalina School in Monterey.

THE HUMAN SIDE

South Carolina restaurateurs raise money for the disabled

Thirty-one years ago, the South Carolina Restaurant Association voted to sponsor an annual two-week fund raising event to benefit the South Carolina Society for Crippled Children and Adults, the precursor of the Easter Seal Society for South Carolina.

Today, sponsored by the South Carolina Restaurant Association and the South Carolina Law Enforcement Officers' Association, "B.A.C.-Coffee Day for Crippled Children" is a tradition. Restaurateurs and law enforcement personnel cooperate in selling "Buck-A-

Cup/Brace-A-Child" buttons, which entitle the wearer to free coffee on Good Friday, "Coffee Day."

Since 1952, more than \$2.5 million has been raised and given to the Easter Seal Society. The 1983 "Buck-A-Cup" campaign broke all previous records raising a total of \$231,566. These funds help the Easter Seal Society in South Carolina provide such needed services as physical therapy, occupational therapy, speech and hearing services as well as medical evaluation.

Harold Corley, owner of the Mayflower Restaurant in

Columbia, has served as event chairman for the past 10 years. John G. Riddick, executive director of the South Carolina Restaurant Association and James W. Britt, owner of the Blazers Restaurant in Greenwood and president of the South Carolina Restaurant Association, serve on the state coordinating committee with Corley.

Interested state associations may get full details about the program by contacting the Easter Seal Society of South Carolina, 3020 Farrow Road, Columbia, SC 29203, (803) 256-0735.

Mobile foodservice program in Wyoming

The Southwest Wyoming Rehabilitation Center, headquartered in Rock Springs, is operating a new mobile foodservice program for handicapped individuals to provide a bridge between training programs and community work. The mobile foodservice program can employ individuals with at least three different levels of handicaps, and the experience gained in this sheltered situation can lead to job placement in competitive industry. Approximately eight percent of the individuals served through the Division of Vocational Rehabilitation—or 45 people—are placed in foodservice establishments each year.

The mobile foodservice program provides employment training in two different settings—kitchen food preparation, which employs five handicapped individuals, and in the various aspects of vending. The vending van, which employs four people, is equipped to sell hot food, snack food, drinks and ice cream. The food is prepared in kitchen facilities at the rehabilitation center and then transferred to the truck, where it goes on a predetermined route to in-

Rock Springs artist John lungrich painted scenes from Wyoming's old West on the van, which has been named "Casey's Chuckwagon" in honor of Wyoming's First Lady, Casey Herschler.

ANALYSIS: 1983

5,000 persons with impairments placed in foodservice

In the fiscal year that ended last July, over 5,000 persons with impairments were placed in foodservice jobs. This data represents the response of 290 vocational rehabilitation services, agencies and training facilities in 49 states to a survey by the National Restaurant Association's Projects with Industry (PWI) program. Since more than 600 agencies participate in placement programs nationwide, the actual number of placements is probably much higher.

The survey shows that a variety of providers across the board have opened opportunities to job-ready peo-

ple: small local coffee shops, cafeterias, lunch rooms, full service and fast food operations in single owner establishments and the largest chains. Placements have also been made in hotels, motels, clubs, hospitals, colleges and school, nursing and retirement homes.

Outstanding successes in the placement of persons with disabilities in foodservice is not haphazard. The

The National Restaurant Association's PWI program is a means of bringing the industry and vocational rehabilitation services together in mutual understanding and cooperation.

Top nine placements by state

State	Number of placements
Texas	843
Virginia	534
South Carolina	420
Michigan	356
Oklahoma	242
Mississippi	238
Missouri	220
New York	207
Maryland	149

THE LAW

There is no federal law requiring a restaurant employer to give an employee rest or luncheon breaks. However, the federal minimum wage law (the Fair Labor Standards Act, FLSA) does have a provision that employers must pay a minimum amount (now \$3.35) for each hour worked. Under this law, the U.S. Department of Labor (DOL) has adopted regulations requiring payment of minimum wages for breaks given that are less than 30 minutes in duration as, for example, two 15-minute breaks per day. If the employer gives the employee a break of 30 minutes or more and the employee is relieved of all work duties during that time, then no payment of wages is necessary. Luncheon periods are an example of such a break.

State laws

Many state legislatures have adopted laws requiring employee rest or luncheon breaks. Failure to comply with the requirements of these laws often result in employee complaints with resultant expensive employer penalties. State requirements on this subject are summarized below.

Alabama: No state law. Federal standards applied.

Alaska: No state law requiring breaks or lunch periods.

Arizona: No state law requiring breaks or lunch periods.

Arkansas: When given, employer pays for breaks 20-minutes or less in duration.

California: Employee is entitled to a 10-minute break for every four hours worked. This is paid for by the employer. Lunch time (minimum of 30 minutes for an eight-hour day) is not paid for unless employee remains

State and federal laws regulating rest and luncheon breaks

NRA's legal information services department has received numerous requests for up-to-date information on federal and state laws regulating employee rest and luncheon breaks in the restaurant industry. The following information on break requirements has been provided by federal and state labor law enforcement agencies. If you have further questions, call NRA Legal Information at (202) 638-6100 or write to NRA at 311 First St. N.W., Washington, DC 20001.

on the job to perform work-related duties.

Colorado: Employee is entitled to a 10-minute break for every four hours worked. This is paid for by the employer. After five hours worked, a 30-minute meal period can be deducted by employer if employee is completely relieved of duty.

Connecticut: No state law on breaks.

Delaware: No state law requiring breaks. If break is given, however, it is up to employer to decide whether to pay for it.

District of Columbia: No breaks or meal periods required. The decision is strictly left up to company.

Florida: No state law. Federal law followed: if company allows a break, employer pays for it. However, if break is for 30 minutes or more, it is not paid for.

Georgia: No state law on breaks or lunch periods. Individual employer makes decision about breaks and lunch periods and whether to pay for them.

Hawaii: No state law requiring breaks or lunch periods.

Idaho: Breaks are not covered by state law. Individual employer decides whether to give break and or pay for it.

Indiana: No state law requiring breaks or lunch periods.

Illinois: No provision related to breaks except lunch break. If employee works seven and a half hours per day, he is entitled to a 20-minute meal period. This break can be deducted from employee's pay.

Iowa: No state law on breaks or lunch periods for adults. Minors must have 30-minute break after five hours worked. If paid breaks are given, they are considered an employee benefit.

Kansas: No state law requiring breaks or lunch periods.

Kentucky: Employee is entitled to a 10-minute rest period for every four hours worked. These breaks are paid by employer.

Louisiana: No state law. Federal law followed.

Maine: No state provision on breaks.

Maryland: No state law on breaks except for minors between 14 and 17 years of

age. They must be given a 30-minute break after five continuous hours of work.

Massachusetts: Break policy is established by employer. Employer must allow a 30-minute break after six working hours, but he does not have to pay for it.

Michigan: Minors under 18 years of age are entitled to a 30-minute break every five hours, but employer does not have to pay for it.

Minnesota: If break is given, employer pays for it.

Mississippi: No state law on breaks.

Missouri: No state law on breaks or lunch periods.

Montana: No laws requiring breaks. But if employer gives breaks, he must pay for them.

Nebraska: No state law on breaks.

Nevada: Two 10-minute breaks are allowed in an eight-hour day. These are paid for by employer. Employee is also entitled to a 30-minute lunch period in an eight-hour day, but employer does not have to pay for it.

New Hampshire: No state law on breaks.

New Jersey: No state law on breaks except for persons under 18 years of age. After five hours worked, minors must be given a 30-minute luncheon break.

New Mexico: No state law on breaks; company policy dictates.

New York: No state law on breaks, except meal periods. If employee works six or more hours, he is entitled to not less than a 30-minute break. Employer does not have to pay for this time.

North Carolina: Breaks are considered a fringe benefit. If break is 20 minutes or more, employer does not have to pay for it. Minors (14 and 15 years of age) are entitled to a 30-minute break

after five continuous hours of work.

North Dakota: Breaks are not mandatory. However, employer must give 30-minute mealtime break for a full day's work. Employer can pay for this break if he so chooses.

Ohio: Breaks are strictly left up to employer. The only mandatory provision is for minors under 18 years of age, who must be given a 30-minute break after five hours of work.

Oklahoma: No state law covering breaks or meal time except for employees 16 years old or younger, who must be given a 30-minute break for every eight hours worked. Employer does not have to pay for this break.

Oregon: Minors under 18 years of age are entitled to a 15-minute break for every four hours worked. A 30-minute lunch period is required for all workers who work at least five hours.

Pennsylvania: Breaks are not mandatory except for persons under 18 years of age, who are entitled to a 30-minute break after five hours of continuous work. Employer does not have to pay for this time.

Puerto Rico: Federal law applies.

Rhode Island: After six hours of work, employee is entitled to a 20-minute break, which employer does not have to pay for.

South Carolina: No state law governing breaks or lunch periods. Decision left up to employer.

South Dakota: No state law on breaks or rest periods. Employer makes decision.

Tennessee: Breaks and meal periods are left to the discretion of the employer.

Texas: Breaks and meal periods are left to the discretion of the employer.

Utah: Employee is entitled to two 10-minute break periods and a 30-minute lunch period within an eight-



hour workday. Breaks are paid for. Lunch periods are not paid if employee is relieved of all duties.

Vermont: No provision in statute stating that employer must give breaks.

Virgin Islands: Federal law applies.

Virginia: Employee must be paid only for hours actually worked; therefore, employer does not have to give breaks. Exception: minors under 16 years of age must be given at least a 30-minute break after five hours worked.

Washington: Breaks are paid for by employer. Employee is entitled to one 10-minute break for every four hours worked.

West Virginia: Breaks and rest periods are authorized by the employer. If authorized break does not exceed 20 minutes, it is considered hours worked and must be paid for by the employer.

Wisconsin: No state law on breaks and rest periods except for minors under 18 years of age. Minors must be given a 30-minute break after six hours of work.

Wyoming: Employee is entitled to two 15-minute breaks: one in the morning and one in the afternoon. Law written to apply to women only.

—Clyde Griffith

MARKET KNOWLEDGE

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Order No. CS979; NRA members \$12.50, non-members \$25; 130+ pgs.; 1983.

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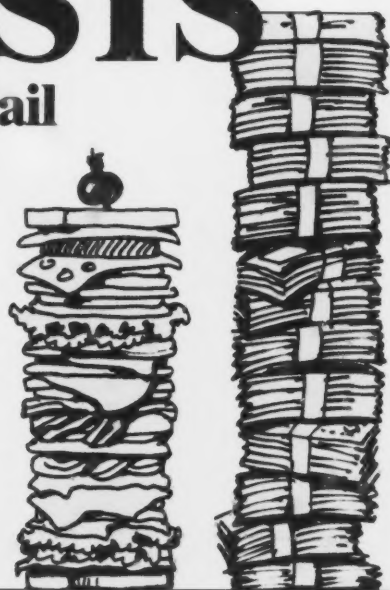
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Credit card telephone orders are accepted. Call (800) 424-5156 or (202) 638-6100.

1984 FOOD COSTS

**should trail
inflation**



The following article summarizes the latest U.S. Department of Agriculture (USDA) commodity information. It may help restaurateurs gain a better understanding of what will be happening to wholesale food costs this year. NRA will update this information as new developments in commodity prices and supplies become apparent.

Food costs will be up in 1984 but should rise slower than the rate of inflation. NRA expects overall wholesale food costs to rise a moderate 4.5 percent during 1984, slightly less than the predicted 5.0 percent general inflation rate.

Some of the factors which may affect food costs in 1984 are

- *improving consumer demand.* Rising consumer incomes due to the strengthening economy could bolster food prices.

- *after-effects of the 1983 summer drought.* Higher grain prices have resulted in large supplies of meat products being sent to market. This situation has lowered prices and should continue through the first half of 1984 when supplies may begin to tighten.

- *consumer preferences.* Americans continue to be interested in healthy and nutritional foods. This trend will boost vegetable, fruit and even poultry consumption and may influence the prices of these commodities.

- *marketing costs.* Labor and transportation costs are expected to remain fairly stable in 1984. This should temper food price increases.

- *dairy legislation.* New dairy regulations could lower dairy prices and also potentially affect beef, pork and poultry prices. If dairy producers send a large number of cows to market to reduce their production levels, the larger beef supplies could dampen overall meat price increases.

- *temperamental Mother Nature.* Weather always plays a primary role in determining food supplies and prices.

New dairy legislation...

New dairy legislation, passed November 29, 1983, should not affect dairy prices as much as it may potentially affect other commodity price levels. Among other things, the legislation has lowered the price support level 50 cents and introduced a paid diversion program, which provides a \$10-per-cwt payment to producers who sign up to reduce their milk output between five and 30 percent. As a result, producers may send more of their cows to market for slaughter. This could boost beef supplies and possibly send beef prices—primarily hamburger and processing meats—tumbling. Provisions in the legislation, however, are supposed to prevent this from happening. Since this is a new dairy program, USDA is not certain at this point how farmers will react and cannot specifically forecast the results of the legislation. NRA will continue to track the effects of the new program and present updated information as soon as it becomes available.

USDA's initial forecast projects that, due to the new

legislation, milk production will drop between four and nine percent this year. Even so, the continued surplus—which remains substantial—and the lowered price support level should hold dairy prices stable or even move them downward. For instance, USDA expects cheese prices to drop approximately 5.0 cents per pound and butter prices to decline 5.5 cents during the first half of 1984.

Beef continues to be a good buy...

Beef producers are sending more cattle to market due to higher feed costs caused by the 1983 summer drought. Thus total beef supplies should continue to rise through the first quarter of 1984—reaching 5.6 billion pounds. This is a two-percent gain over 1983. In the second quarter, beef production is expected to tighten, declining four percent for a total of 5.3 billion pounds. No dramatic turnaround is expected in the remainder of the year, and total beef production during 1984 is expected to decline three to four percent from 1983 levels. Even so, production is expected to be above 1981's and 1982's supply levels.

The current plentiful supply of beef has caused overall beef prices to drop. According to Ron Gustafson, USDA economist, beef prices hit their lowest point since April 1981 during the 1983 fall quarter. Beef should continue to be a good buy through early spring of 1984, but prices may gain sharply in late spring and summer when beef supplies are expected to decrease. Prices are projected to decline modestly next fall, however, as meat supplies rise seasonally.

During the first quarter of 1984, prices for choice-fed steers at Omaha should range between \$62 and \$66

per cwt, only slightly above the average price posted during the prior year—\$62. Prices are expected to average \$66 to \$70 per cwt in the second quarter and approximate last year's \$67 average.

These predictions do not take into account the possible effects of the recently passed dairy legislation. The new law could potentially force more dairy cows on the market, increasing overall beef supplies and reducing beef prices. The sharpest price reductions will be in the hamburger and processing meat categories as they will directly experience the large increases in supply. Grain-fed beef supplies will not change drastically, but USDA says grain-fed beef prices may undergo a similar but smaller price decrease—due to the overall increase in beef supplies.

Pork supplies remain plentiful. . .

Pork supplies remain plentiful—partially due to the after-effects of the drought. During the fourth quarter of 1983, production was up substantially—14

percent—and totaled 4.2 billion pounds. USDA expects pork output to remain high through the first quarter of 1984 and projects production will rise eight percent over 1983's level. Overall pork supplies should level off somewhat by the second quarter to 3.8 billion pounds—a one percent gain over the same period a year earlier. Total commercial pork production for 1984 may be around 14.7 billion pounds, down two percent from 1983 but four percent above 1982.

Due to the current ample supply of pork, prices have stayed unusually low. During the fourth quarter of 1983, hog prices averaged \$39 to \$41 per cwt, compared with \$55 a year ago—a significant drop. Prices are expected to remain relatively low through the first quarter of 1984 and range between \$42 and \$46 per cwt, still substantially below the \$55 per cwt average received one year earlier. In the second quarter, hog prices should rise somewhat as supplies level off to average \$45 to \$49 per cwt. This price range approximates 1983's

average \$47 per cwt during the second quarter.

Again, these USDA predictions do not include any possible repercussions of the new dairy legislation. If large supplies of beef do reach the market, pork prices may also be affected. The larger beef supply will lower beef prices, and pork prices may drop to compete with the reduced beef prices.

Broiler supplies should be stable. . .

Despite higher feed costs due to the drought, broiler output in the fourth quarter of 1983 is expected to be about the same to two percent higher than one year earlier. For the first half of 1984, broiler production is projected to be 6.3 billion pounds, which is about the same as in 1983. With grain prices expected to moderate, broiler output in the second half of 1984 may be up five percent over 1983. Total production for next year is expected to increase five percent over 1983.

According to Alan Baker, USDA economist, broiler prices usually follow beef and pork price trends. In

early 1984, however, even though pork and beef prices are expected to be relatively low due to larger-than-usual supplies, broiler prices are not projected to drop. Reason why: Strong consumer demand, stable production levels and somewhat higher feed costs will cause broiler prices to actually rise somewhat during the first half of 1984. During the first quarter of 1984, broiler prices are expected to average between 48 to 52 cents per pound, compared with 43 cents per pound one year earlier. Second quarter prices are projected to range between 50 and 54 cents per pound, versus 46.5 cents during 1983.

Egg production expected to drop. . .

During the first half of 1984, egg production is expected to be one to three percent below 1983 levels. Higher feed costs may force producers to sell hens when the birds' productivity declines, and this will lower overall egg production.

Prices for eggs should strengthen as a result of the lower supply levels. For the

Percent change in wholesale commodity prices (1975 to first 10 mos. 1983)

Commodity	1975 to 1976	1976 to 1977	1977 to 1978	1978 to 1979	1979 to 1980	1980 to 1981	1981 to 1982	10 mos. 1982 to 10 mos. 1983
Bakery products	0.7%	3.5%	7.8%	10.0%	11.7%	8.3%	3.3%	3.0%
Flour & cereal	-8.9	-5.8	13.1	12.4	12.3	-7.0	-5.3	0.9
Beef & veal	11.5	1.0	28.4	24.7	3.2	-5.0	-0.8	-3.8
Other meats	-5.2	-4.4	16.7	-2.8	-2.7	7.6	16.9	-6.5
Poultry & eggs	-4.1	0.1	8.1	0.7	1.0	2.4	-6.7	5.5
Fish & shellfish	24.6	8.0	6.4	22.6	-3.2	1.8	11.8	8.1
Sugar & sweets	-21.2	-7.2	6.6	6.9	35.4	-2.9	-2.6	5.2
Vegetables	-4.7	4.2	6.0	2.0	7.5	22.6	-4.4	1.5
Fruits & juices	0.8	12.0	17.6	8.7	4.2	4.1	2.9	2.1
Beverages	23.4	43.5	-8.6	0.8	0.8	-2.3	4.5	1.2
Dairy products	8.1	3.0	8.6	12.1	12.1	6.4	1.3	0.8
Fats & oils	-18.3	14.0	6.1	6.4	6.4	2.1	-1.4	5.6
NRA food cost index	-1.5%	5.8%	11.2%	12.2%	5.0%	3.0%	2.5%	0.5%
All food, producer price index ¹	-3.8%	4.4%	10.5%	9.5%	8.0%	3.1%	1.1%	0.9%

¹Includes all processed foods (except soft drinks, alcoholic beverages and animal feeds) plus eggs and fresh and dried fruits and vegetables.

Sources: Producer Price Index, Bureau of Labor Statistics; NRA.

fourth quarter of 1983, prices for Grade A large eggs delivered to stores in New York are expected to average 79 to 81 cents, up from 68 cents during 1982. With smaller egg supplies, prices may average 70 to 73 cents during the first half of 1984, compared with 67 cents a year earlier.

Fruit supplies expected to be adequate...

According to USDA, fruit supplies are expected to be adequate throughout the 1983/84 season. Overall fruit prices are projected to rise only slightly due to relatively small increases in transportation, labor and marketing costs.

Initial forecasts for the 1983/84 citrus crop indicate supplies will be up five percent above a year earlier and

a significant 17 percent above the 1981/82 season. The 1983/84 citrus crop is expected to reach 14 million tons with larger supplies of grapefruit, lemons, oranges and tangerines. Smaller production levels are expected, however, for limes, tangelos and Temple oranges.

Unseasonably cold weather in Florida during late December may hurt the Florida orange crop, but ample supplies from California and Brazil will prevent a significant drop in overall citrus supplies. Therefore, USDA expects fresh fruit prices to remain fairly stable.

The 1983/84 non-citrus crop, including major tree fruits, grapes and cranberries, is forecast to reach 12.2 million tons—13 percent below the prior year, but still slightly above the 1981/82 season. This is due

primarily to the 1983 summer drought which dropped production forecasts for some fruits, such as apples, grapes and peaches. Even so, the apple crop is projected to be two percent larger than last year, and supplies of winter pears will be up nine percent. Consequently, overall supplies of fresh non-citrus fruit should be adequate through the first half of 1984, and prices are not expected to rise significantly.

Slightly higher vegetable prices forecast...

Michael Stellmacher, USDA economist, expects vegetable prices to average above the previous year's relatively low levels through the first half of 1984. Increased consumer demand due to both the recovering

economy and continuing interest in fresh and healthful foods will cause prices to rise somewhat. Reduced supplies of some commodities, along with slightly higher marketing costs, will also help push prices up.

Even though weather conditions in 1983 were very extreme, the cumulative effect on total vegetable supplies was relatively small. A very cool, wet spring, coupled with the worst drought in 50 years, disrupted fresh vegetable production. However, high carryover stocks for many vegetables should insure adequate supplies for most items through the 1983/84 season.

Reduced production of processing vegetables during the 1982/83 season will translate into smaller packs for most items and cause total 1983/84 supplies to drop from the prior year. Increased carryover stocks should dampen the effects of the reduced supplies, though, and prevent prices from rising significantly.

Canned supplies will decline the most substantially due to sharp reductions in snap beans, sweet corn and green peas. Supplies of canned tomatoes, tomato juice, beets and carrots should approach last year's levels because of large carryover holdings. Total canned supplies during the 1983/84 season are expected to be six to 10 percent below 1982/83 levels. Reduced demand for canned vegetables, however, will limit price gains for these items.

Total frozen supplies for 1983/84 are projected to decline only slightly from 1982/83's all-time high levels, largely due to a 75 percent increase in carryover stocks. Consequently, USDA expects total frozen supplies will drop only two to four percent during the first half of 1984. Thus prices for frozen vegetables should remain fairly stable.

Commodity price index

Commodity	Percent change			
	1981 to 1982	Oct. 82 to Oct. 83	10 mos. 82 to 10 mos. 83	Sept. 83 to Oct. 83
Bakery products	3.3%	5.1%	3.0%	1.1%
Flour & cereal	-5.3	3.4	0.9	-0.5
Beef & veal	-0.8	-1.3	-3.8	-0.6
Other meats	16.9	-18.0	-6.5	-3.8
Pork	14.0	-20.3	-7.1	-4.6
Poultry & eggs	-6.7	9.1	5.5	-3.0
Poultry	-7.6	7.6	0.7	-4.2
Eggs	-4.5	12.5	0.8	nc*
Fish & shellfish	11.8	-1.3	8.1	0.3
Sugar & sweets	-2.6	5.0	5.2	-0.6
Sugar	-2.5	7.6	8.7	-0.8
Vegetables	-4.4	27.3	1.5	7.0
Fresh vegetables	11.2	46.7	1.9	10.8
Fruits & juices	2.9	14.2	2.1	7.1
Fresh fruit	3.6	32.6	6.9	13.3
Beverages	4.5	1.4	1.2	0.2
Dairy products	1.3	0.4	0.8	0.2
Fats & oils	-1.4	31.3	5.6	-0.1
NRA food cost index	2.5%	2.7%	0.5%	0.3%
All food, producer price index ¹	1.1%	3.2%	0.9%	nc*

¹Includes all processed foods (except soft drinks, alcoholic beverages and animal feeds) plus eggs and fresh and dried fruits and vegetables.

*No change

Sources: Producer Price Index, Bureau of Labor Statistics; NRA.

Americans expected to eat slightly less food in 1984

Americans may be eating slightly less food in 1984. According to U.S. Department of Agriculture (USDA) projections, per capita food consumption in 1984 is expected to decline approximately 0.2 percent, following a 1.0 percent increase in 1983. Although real personal income is expected to rise during 1984 and boost consumer demand for food, smaller food supplies—particularly meat products—will dampen overall consumption.

Some foods will be more popular than others. Because consumers continue to be interested in healthy and nutritional foods, for example, vegetable consumption is expected to jump during 1984 and post a 2.8 percent increase. Poultry consumption should show the second largest gain in 1984 and rise 1.5 percent, also partially due to the growing interest in nutrition.



Although consumer preferences can affect long-term consumption patterns, short-term consumption trends are primarily influenced by commodity prices and supplies. Consequently, when planning menu choices, restaurateurs should look at the projected availability and costs of food items as well as consumer preferences.

Beef and veal consumption expected to decline...

Per capita consumption of beef and veal is expected to drop 5.0 percent to 76 pounds per person in 1984. This projection estimate is based primarily on the expected cutback in meat production resulting from higher feed costs caused by the 1983 drought. Smaller supplies are expected to boost meat prices in the second half of 1984, and this may cause consumers to eat less beef and veal. A variety of factors, including consumer demand for lighter foods, has caused beef consumption to decline fairly steadily since 1970's peak of 84 pounds per person.

Pork consumption should drop...

USDA projects per capita consumption of pork will drop 3.2 percent to 61 pounds per person in 1984. Ample supplies and low pork prices caused pork consumption to jump 6.8 percent during 1983. In 1984, however, higher prices for feed grains brought on by the 1983 summer drought should reduce production and raise pork prices. USDA expects lower supplies and higher prices will force consumers to look for less expensive sources of protein, such as poultry products.

Poultry consumption continues to rise...

Consumption of poultry on a per-person basis should continue its upward trend this year. Per capita consumption has risen steadily from 64 pounds in 1982 to 65 pounds in 1983 and an expected 66 pounds in 1984.

Although poultry prices will rise somewhat due to higher feed costs—a result of the dry summer conditions, prices will still be relatively low compared with other meat products. Comparatively low prices, coupled with consumer desire for lighter foods, will continue to boost poultry consumption.

Consumers may be eating fewer eggs...

USDA projects per capita consumption of eggs will drop from 34 pounds in 1983 to an estimated 33 pounds in 1984. Egg consumption should be down because of rising egg prices, competition from other breakfast foods and consumer concern about cholesterol intake.

Dairy consumption expected to drop...

Consumers may be eating less dairy products—including milk, cheese and butter—in 1984. USDA expects per capita consumption to drop 0.7 percent to 303 pounds per person. Changes in the dairy legislation, however, will affect dairy prices and supplies and may influence consumption.

Consumers may eat slightly less fruit...

USDA expects consumers to eat slightly less fruit in 1984 and projects per capita

consumption will drop 0.6 percent to 163 pounds per person. Although consumers may be eating more fruit in some categories, the expected reduction in the 1984 California orange crop will cause a slight decline in overall fruit consumption.



In 1983, fruit consumption was up a hefty 5.1 percent due to the large apple crop in the fall of 1982 and plentiful orange supplies from Florida and California.

Vegetable consumption up a healthy 2.8 percent...

Americans are expected to eat more vegetables in 1984. USDA projects per capita consumption of vegetables to reach 288 pounds per person—up a healthy 2.8 percent. Overall vegetable production is expected to rise, assuming normal weather conditions, which will contribute to the increased consumption. Consumers' continuing interest in eating healthy, low-calorie foods will also boost vegetable consumption.

Per capita food consumption*

1981-1984	1981	1982	1983 ^P	1984 ^F
All food	1,396	1,385	1,399	1,396
Beef and veal	79	79	80	76
Pork	65	59	63	61
Poultry	63	64	65	66
Eggs	34	33	34	33
Dairy products	304	302	305	303
Cereals and bakery products	151	150	151	150
Fruit	163	156	164	163
Vegetables	283	287	280	288
Sugar and sweeteners	135	134	134	135

*Pounds per person P = preliminary figures F = forecast figures
Source: U.S. Department of Agriculture, November 1983.

Annual CREST report shows traffic up for third year in a row

Customer traffic rose for the third consecutive year in 1983. During the 12-month period ending August 31, 1983, customer counts advanced 2.1 percent. This compares favorably with a somewhat slower gain in the prior year—1.0 percent—and indicates the restaurant industry has gained momentum due to the strengthening economy.

The following article summarizes some of the highlights from the most recent CREST (Consumer Reports on Eating Share Trends) annual report, which covers the 12-month period between September 1982 and August 1983. Comparisons are made to the year ending August 1982.

Traffic advances 2.1 percent...

■ **Restaurant traffic** advanced for the third consecutive year—up 2.1 percent in the year ending August 1983. Traffic was up in all four quarters: 2.9 percent in the fall, 2.4 percent in the winter, 2.2 percent in the spring and 1.3 percent in the summer.

■ **Party size**, the average number of persons per occa-

sion, was up 1.0 percent. The average number of times families visited restaurants—**visit frequency**—rose slightly to 8.6 visits in a two-week period during the most recent CREST year. Both of these factors contributed to the overall traffic gains.

■ **The proportion of families** in the eating-away-from-home market declined slightly—from 78.0 percent in the CREST year ending August 1982 to 77.8 percent in the most recent CREST year.

■ **Fast food** restaurants recorded the largest gain in traffic in the 1983 CREST year—up 5.4 percent. Customer counts at this restaurant type posted their strongest advance in the fall quarter—10.4 percent.

■ **Family** restaurants experienced the second largest rise in customer traffic—up 3.6 percent in the year ending August 1983. This compares with a 3.5 percent advance recorded in the prior CREST year.

■ **Customer counts at atmosphere/specialty** establishments rose slightly—0.8 percent—in the 12-month period ending August 1983, compared with a decline of

Fast food traffic



Fast Food
5.4%

“Percent change in total restaurant customer traffic 1979-1983”

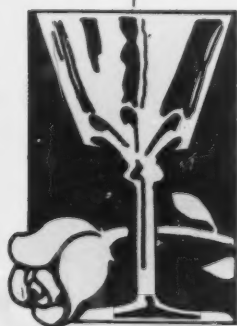


Note: Based on year ending August 31
Source: ©CREST, NPD Research, Inc.

fic still on top



Family Restaurants
3.6%



Atmosphere/Specialty
0.8%

0.5 percent in the year before.

■ **Cafeterias** experienced an 11.1 percent drop in traffic in the 1983 CREST year. **Take-out** restaurants and **coffee shops** also posted traffic declines—0.8 percent and 2.0 percent, respectively.

■ Traffic increased for each meal occasion with the exception of snacking in the most recent CREST year. **Breakfast** easily captured the number one spot, with traffic jumping 11.0 percent. This compares with a somewhat lower advance—4.6 percent—one year earlier. Increased emphasis on the morning meal by restaurateurs accounts for some of the strong gains.

■ Customer counts for **supper** were up 4.4 percent in the 12-month period ending August 1983. This is a considerable increase over the weaker 1.7 percent advance the year before. Traffic at the evening meal recorded the strongest gain in the fall quarter—7.4 percent—followed by an increase of 4.4 percent in the summer and a 3.6 percent rise in the winter period.

■ **Lunch** traffic advanced slightly—0.1 percent—during the most recent CREST year, somewhat less than the 0.5 percent gain recorded in the prior year. Customer counts rose 1.2 percent in the winter quarter and 0.7 percent in the spring, but they declined 0.9 percent in the fall and 0.4 percent during the summer period.

■ **Snacking** occasions recorded a 4.1 percent drop in the 1983 CREST year, compared with a 0.2 percent decline in the preceding 12-month period. Traffic counts declined 1.6 percent in the fall, 2.4 percent in the winter, 2.8 percent in the spring and 7.4 percent during the summer quarter.

Average check rose 5.4 percent...

■ The average expenditure for a restaurant meal or snack—**per person check size**—rose 5.4 percent in 1983. This is up from the 4.9 percent increase posted one year earlier.

■ The per person check size at **fast food** restaurants advanced 4.7 percent in the CREST year ending August 1983. This compares with a 3.8 percent gain during the prior year.

■ **Atmosphere/specialty** restaurants posted a 4.3 percent increase in the average check size during the 1983 CREST year, somewhat below the 5.4 percent gain recorded for all restaurants.

■ **Family** restaurants recorded a 5.2 percent gain in per person check size, slightly below the average increase for all restaurants in the year ending August 1983.

■ **Cafeterias** posted a hefty increase in average check size—8.9 percent—during the most recent CREST year. **Take-out** establishments also experienced an above average gain—7.6 percent. **Coffee shops**, on the other hand, recorded only a slight increase—2.8 percent—in per person check size during the CREST year ending August 1983.

Promotion usage continues...

■ Restaurant operators continued to use **promotions**

Percent change in average check size for all restaurant categories 1979-1983

1979-1980	+9.0%
1980-1981	+9.5%
1981-1982	+4.9%
1982-1983	+5.4%

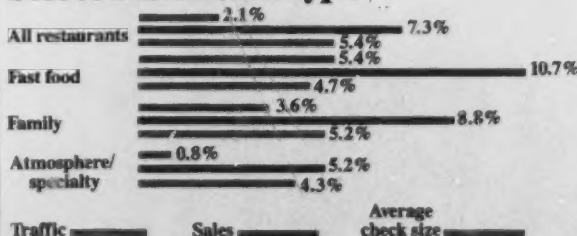
Note: Based on year ending August 31
Source: CREST, NPD Research, Inc.

as a means of increasing customer counts. In the most recent year, 11.1 percent of the meal occasions involved a promotion—up from 10.8 percent of occasions in 1982.

■ Promotions were used most often in the winter and spring quarters, accounting for 12.9 percent and 11.0 percent of the occasions, respectively. Promotions were used for 10.9 percent of the occasions during the fall period and 9.9 percent of occasions during the summer quarter.

■ **Fast food, family and atmosphere/specialty** restaurants used promotions more than did other restaurants during the CREST year ending August 1983. Promotions were used on 14.6 percent of meal occasions at fast food restaurants, 10.4 percent of occasions at family restaurants and 9.9 percent of occasions at atmosphere/specialty establishments.

1983 performance by select restaurant type



Note: Based on year ending August 31
Source: CREST, NPD Research, Inc.

National
Restaurant
Association

National Conference on Alcoholic Beverage Service

March 19-22, 1984
The Westin St. Francis Hotel
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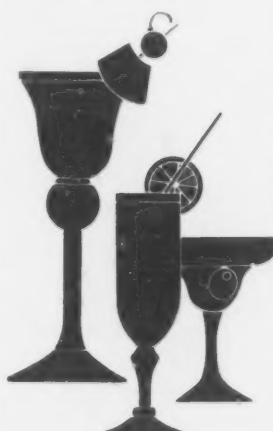
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800-424-5156
(202) 638-6100

FOODSERVICE

Operating statement of a casual theme restaurant

To give restaurant operators a better idea of general operating costs of various segments of the foodservice industry, *Foodservice Trends* will periodically publish sample operating statements from different types of restaurants.

The following is an average operating statement for a chain of casual theme restaurants located primarily in the South. Each of these units of approximately 325 seats offers table service and is open from 11:00 a.m. to 12:00 p.m. during the week and until 1:00 a.m. Friday and Saturday nights. The operating report reflects figures for the fiscal year ending May 1983.

Operating Statement*

	June 1982 to May 1983
Sales	
Food sales	70.0%
Liquor sales	30.0%
Total Sales	100.0%
Cost of Goods Sold	
Food	37.8%
Liquor	28.6%
Total Cost of Goods	35.1%
Gross Margin	
Food	62.2%
Liquor	71.4%
Total Gross Margin	64.9%
Direct Operating Expense	
Payroll	26.8%
Payroll benefits	3.9%
Total Payroll	30.7%
Miscellaneous Operating Expenses	
Total utilities	3.6%
Laundry, uniforms	0.6%
Menus	0.1%
China, glass, silver	0.9%
Miscellaneous supplies	1.0%
Services purchased	0.3%
Repairs	0.9%
Maintenance	0.6%
Miscellaneous	3.2%
Total Miscellaneous Expenses	11.2%
Total Direct Expenses	77.0%
Direct Sales Profit	23.0%
Administrative and Occupancy Expenses	
Depreciation	5.1%
Rent	1.1%
Licenses and permits	0.2%
Administrative	6.5%
Advertising	3.5%
Total Administrative and Occupancy Expenses	16.4%
NET INCOME Before Federal Income Taxes	6.6%

*These percentages are based on total food and liquor sales except for the cost of food sold and the cost of liquor sold, which are percentages of their respective sales.

NRA publishes three new consumer attitude studies

Three new consumer attitude and behavior studies are now available from the National Restaurant Association. Each discusses patron expectations at a different type of restaurant—fast food, family and atmosphere.

The reports detail what various patron segments want and expect from the food served, service received and atmosphere enjoyed at different meal occasions. Examples of patron groups surveyed include frequent customers, men, singles, young adults, senior citizens, upper income households and households with children. In addition, the report examines reasons given for the eating out occasions. The accompanying charts will provide readers with an idea of the type of information contained in each publication.

Order information...

Each report sells for \$15 for NRA members and \$30 for non-members plus shipping and handling charges. Payment must accompany all

orders. Please specify the appropriate order numbers, which are as follows

- *Consumer Expectations with Regard to Dining at Fast Food Restaurants.* Order number CS925.
- *Consumer Expectations with Regard to Dining at Family Restaurants.* Order number CS926.
- *Consumer Expectations with Regard to Dining at Atmosphere Restaurants.* Order number CS927.

Please add \$2 for shipping and handling for orders under \$20. For orders over \$20 add 10 percent of the total cost of items before taxes. Washington, DC, and Illinois residents must add a six percent sales tax to their totals. Chicago, IL, residents must add an additional one percent. Send order information (title of publication and order number) with accompanying check to the National Restaurant Association, 311 First St., N.W., Washington, DC 20001.

Credit card telephone orders are accepted. Call (800) 424-5156 or (202) 638-6100.

Food expectations for various fast food restaurant patron segments

Food expectation	Percent saying they very much expect this			
	Very frequent patrons	Men	Singles	Income over \$35,000
Appropriate temperature of the food	58.1%	46.3%	53.3%	51.3%
Pleasing appearance of the food	52.7	43.0	50.3	42.7
Tastiness of the food	61.6	51.1	56.3	50.5
Variety of menu choices	21.1	16.7	19.0	6.1
Freshness of raw ingredients	58.5	44.7	46.7	53.1
Food cooked the way you asked for it	51.5	44.2	47.8	39.7
Food garnished the way you asked for it	41.9	33.8	43.1	30.8

Food expectations for various family restaurant patron segments

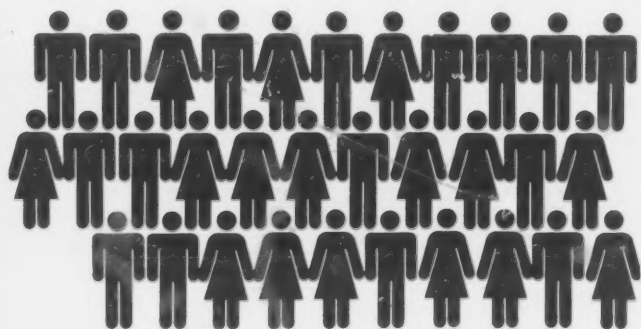
Food expectation	Percent saying they very much expect this			
	Very frequent patrons	Men	Singles	Income over \$35,000
Appropriate temperature of the food	62.7%	57.6%	63.9%	61.0%
Pleasing appearance of the food	55.0	46.4	56.7	54.4
Tastiness of the food	69.4	65.3	68.2	67.1
Variety of menu choices	37.3	33.9	43.9	29.7
Freshness of raw ingredients	61.1	57.8	63.3	57.2
Food cooked the way you asked for it	61.9	57.8	60.7	57.2
Food garnished the way you asked for it	45.2	39.3	42.0	42.5

Food expectations for various atmosphere restaurant patron segments

Food expectation	Percent saying they very much expect this			
	Very frequent patrons	Men	Singles	Income over \$35,000
Appropriate temperature of the food	87.4%	75.4%	81.0%	83.6%
Pleasing appearance of the food	77.4	71.1	80.4	75.4
Tastiness of the food	85.3	84.9	88.5	88.6
Variety of menu choices	56.6	42.7	54.3	42.0
Freshness of raw ingredients	80.6	75.1	84.0	81.2
Food cooked the way you asked for it	85.3	83.2	80.7	85.5
Food garnished the way you asked for it	60.8	59.6	60.1	60.9

Source: National Restaurant Association, 1983

—Cecelia Niepold



HALF BAKED

Restaurant starts scholarship fund for cook

When diners order the daily special at the Dos Yanquis Mexican Restaurant in Newport, RI, 25 cents goes into a fund to send one of the chefs to cooking school. This practice has been going on for two years with customer support. So far the kitty has grown to \$2,500.



The scholarship fund is intended for Matthew Buckles who started working part-time at the restaurant when it was opened in 1981. He was 15 at the time and a second helper in the restaurant's kitchens. Buckles approached owners Paul Jacob and Brian Canning with his dream of attending cooking school. They wanted to help and began the Matthew Buckles College Fund with a \$100 deposit into a savings account.

According to Jacob, "This fund has turned Matthew's life around. He came to us on a CETA plan without ambitions. Now his life has direction. He plans to enter Johnson and Wales College in September and continue on to a university to take business courses."

The fund may be the beginning of a permanent partnership with Johnson and Wales, Jacobs adds. The school is considering matching dollars received into the fund with school monies. Publicity about the Matthew Buckles College Fund has started to reap results as well: Checks are coming in from all around the country.

"I'm overwhelmed with the way the plan has taken off," marvels Jacobs. "I know it's something with great potential."

—NRA NEWS interview

Eating in poetic style

Customers at the Ozark B-B-Q Restaurant in Lancaster, TX, are treated to more than just good food.

Owner James O. Calvin writes poetry and prose and reads it to his customers while they dine on barbecued beef, candied yams and German-style potatoes.



Calvin's thoughts and philosophies have become so popular that he's putting it all down in book form. He plans to hand out copies to customers next month.

"Giving my customers a little baloney to go along with their beef helps their digestion," he says.

—USA Today

Alligator—you may see it later

Those who have said "See ya later, alligator" probably never expected to find gator on their dinner plate. Yet, food science researchers at Louisiana State University (LSU) think that that's where alligator belongs.

A nutritional analysis of alligator meat showed it to be as high in protein as tra-

ditional meats and even higher in calcium and potassium. And because it's lower in calories, alligator meat is considered an ideal, if unusual, item for low-calorie menus.

Dr. Stanley Biede, associate professor at LSU, foresees a bright future for alligator meat in commercial and institutional foodservice.

Perhaps a little later we'll all see alligator.

—Food Management



A "go to jail" party

Going to jail can be fun. That's what the citizens of Worcester, MA, found out recently when they attended a "go to jail" party that celebrated the renovation of a building that used to contain a courthouse, a police garage, a firehouse and jail cells. The building is listed in the National Register of Historic Places. The jail cells will be used as booths in Margaritaville, a Mexican restaurant, and a 1921 fire engine will be built into the bar at the Firehouse Cafe.

—USA Today



NRA SEMINAR SCHEDULE

American Regional Cookery

3/6-7 Las Vegas, NV
3/12-13 Boston, MA

Banquets and Buffets

2/28-29 Philadelphia, PA
4/11-12 Tampa, FL
4/17-18 Milwaukee, WI

Simplified Baking Workshop

3/13 Chicago, IL
3/27 Washington, DC
4/4 Exeter, NH

Off-Premise Catering

3/5-6 Pittsburgh, PA
3/26-27 San Diego, CA
4/9-10 Atlantic City, NJ

Computers in Foodservice: A Primer

3/26 Baltimore, MD

Computers in Foodservice: Advanced Technologies/Now That I Have One...

3/27 Baltimore, MD

Perfecting Your Culinary Skills

3/6 Denver, CO
3/8 Las Vegas, NV
3/13 Columbus, OH
3/15 Indianapolis, IN
4/10 Richmond, VA
4/19 Atlanta, GA

Dining Room Management

2/2 Kansas City, MO
2/15 Louisville, KY
2/16 Milwaukee, WI
2/27 Tampa, FL
2/29 Birmingham, AL
3/7 Omaha, NE
3/26 Allentown, PA
3/28 Cleveland, OH
4/10 Atlantic City, NJ
4/16 Oklahoma City, OK
4/18 Memphis, TN

Controlling Food Cost

2/27 Schaumburg, IL
3/5 Burlington, VT
4/16 Kansas City, MO

Kitchen Management

2/6 Albuquerque, NM
2/8 Wichita, KS
2/15 Washington, DC
3/19 Little Rock, AR
3/26 Knoxville, TN
3/28 Columbia, SC
4/10 Atlantic City, NJ
4/16 Pittsburgh, PA
4/18 Cincinnati, OH

Principles of Labor Cost Management

2/6 New York, NY
4/11 Philadelphia, PA

Advanced Labor Cost Management

2/7 New York, NY
4/12 Philadelphia, PA

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation

3/14-15 Atlanta, GA
4/4-5 New York, NY

Planning and Implementing Restaurant Marketing Strategy

4/2-3 Hartford, CT

Creative Merchandising Techniques

3/26 St. Louis, MO
4/9 Atlantic City, NJ

Motivation: Increasing the Desire to Do More and Better Work

2/15 Portland, OR
2/27 Portland, ME

Opening a Restaurant: Before You Start Cooking...

3/6 Dallas, TX
4/3 Raleigh, NC
4/7 Seattle, WA
4/9 Portland, ME

Operational Analysis

3/6-7 San Francisco, CA
3/27-28 Columbus, OH

Basic Purchasing

2/20 Atlanta, GA
4/2 Los Angeles, CA
4/9 Atlantic City, NJ

Soups and Sauces

2/6 Boston, MA
2/8 Philadelphia, PA

Basic Supervision in Foodservice

2/26 Washington, DC
2/28 Denver, CO
3/6 Baltimore, MD
4/3 Chicago, IL
4/17 New Orleans, LA

Train the Trainer

2/17 Spokane, WA
3/12 Salt Lake City, UT
3/13 Oklahoma City, OK

Wine: Sales and Merchandising

2/9 Cincinnati, OH
3/8 Philadelphia, PA
4/17 Atlanta, GA
4/19 New Orleans, LA

NRA Conferences 1984

2/19-22 National Conference on Computers in the Foodservice Industry
Orlando, FL
3/19-22 2nd Annual Conference on Alcoholic Beverage Service
San Francisco, CA

Hospitality Project Workshops

Dallas, TX

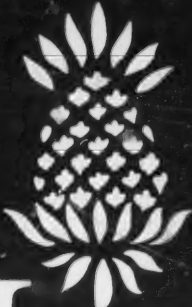
2/20-21 Fast Food
2/22-23 Full Service
2/27-28 Cafeteria

Washington, DC

3/5-6 Fast Food
3/7-8 Full Service
3/12-13 Cafeteria

For more information, contact:
NRA Education Programs
311 First Street, N.W.
Washington, DC 20001
(800) 424-5156

IN-HOUSE SEMINARS MAY BE ARRANGED UPON REQUEST.



Hospitality Workshop

The pay off of the **Hospitality Workshop** is increased repeat business—a necessity for any successful restaurant. After quality food, hospitality is the major reason customers choose one restaurant over another. In fact, if hospitality is poor, surveys show that three out of four guests won't be back.

Do you train your employees to treat guests right? Have you set up hospitality standards for your operation?

Whether you operate a full service, cafeteria or fast food establishment NRA's **Hospitality Workshop** will help you do both.

The two-day workshop is a train the trainer program. It prepares managers/trainers to introduce the NRA Hospitality program in their operations.

The NRA Hospitality Project is a total hospitality system designed with in-house audio-visual programs, employee manuals and certification materials—all of which the trainer receives during the workshop.

The workshop was developed in three different forms: one for *fast food* operations, one for *cafeteria* operations and one for *full service* restaurants.

All three workshops will be held in Dallas, TX, in February and Washington, DC, in March. For more information, contact NRA's Education Programs Department, 511 First St., NW, Washington, DC 20001, (202) 638-6100 or (800) 424-5150.

Hospitality

brings them back

01/27 MEMBER # IL004 WF
STATISTICAL REFERENCE INFO
CONGRESSIONAL INFO SERVICE
4522 CONGRESS WEST HWY #800
WASHINGTON DC 20014